

APPENDIX N

SOCIOECONOMIC ANALYSIS



Global Market Advisors

Socioeconomic Analysis For Wilton Rancheria July 2015

Prepared for:
Analytical Environment Services

LAS VEGAS

3167 E. Warm Springs Rd
Las Vegas, NV 89120 USA
United States of America
+1 (702) 547-2225

BANGKOK

388 Exchange Tower
Sukhumvit Road, 29th Floor
Klongtoey District
Bangkok, Thailand
+66 (0) 2 104 9288

TAIPEI

Suite 216, 2F
97 Dunhua S. Road
Sec 2
Taipei, Taiwan
+886 936 106 737

DENVER

1673 Hudson St.
Denver, CO 80220
United States of America
+1 (303) 759-5944

www.globalmarketadvisors.com

Table of Contents

I. SOCIOECONOMIC OVERVIEW.....	1
II. ECONOMIC ANALYSIS.....	2
REGIONAL POPULATION	2
HOUSING	3
EMPLOYMENT.....	5
REGIONAL INCOME	7
EDUCATIONAL ATTAINMENT	8
III. SOCIAL IMPACT ANALYSIS	11
METHODOLOGY	11
UNDERSTANDING CASINO CUSTOMER BEHAVIORS	12
DEFINITION OF PATHOLOGICAL GAMBLING	14
BI-PRODUCTS OF PATHOLOGICAL GAMBLING	16
MEASURING SOCIAL COSTS.....	17
IV. CASINO IMPACTS ON COMMUNITY LAW ENFORCEMENT	25
COMPARABLE MARKETS ANALYSIS	25
CASINO FACILITY INCIDENT AND ARREST PROJECTIONS	39
ORANGE COUNTY, NY SURVEY	40
V. PUTTING SOCIAL COSTS IN PERSPECTIVE	43
IV. DISCLAIMER	44
VI. APPENDICES.....	45
FIRM QUALIFICATIONS.....	45



I. SOCIOECONOMIC OVERVIEW

To gain a full understanding of the economic and social effects that the Wilton Rancheria Casino Resort may have on the surrounding areas, Global Market Advisors (“GMA”) conducted a socioeconomic analysis of the selected regions. GMA researched population data for the cities of Galt and Elk Grove, along with Sacramento County as a whole. Additionally, the Consulting Team quantified regional income levels to illustrate the relative affluence of the regions surrounding the proposed sites. Regional average annual household income levels (“AAHI”) were quantified for 2013 and 2018. Given that educational levels are directly correlated to income levels, the Consulting Team also evaluated educational attainment levels for the three selected regions as well.

Along with these statistics, other key economic indicators were analyzed. Historical housing prices were evaluated to illustrate the effects of the recession and how the selected regions have recovered from a drop in home prices. In addition to housing prices, GMA compared housing vacancy rates and total housing units within the region.

GMA also evaluated empirical evidence regarding the social impact that a casino would have on its customers, employees and the community. Casinos are generally believed to impose social costs such as increased crime, bankruptcies and problem or pathological gambling, which cause measurable economic costs to the host community. These costs may offset some of the benefits with respect to increased economic activity and tax revenues.

Despite the volume of research that this subject has generated, it is still difficult to draw clear conclusions about many of the social costs addressed in gaming research literature. Part of this difficulty stems from the nature of the subject. Many studies try to measure complex intangibles, which result in a wide array of conclusions. In addition, the majority of work has been written by proponents or opponents of casino gambling, resulting in skewed methodologies and biased conclusions. When reading the literature, such differences in perspectives must be kept in mind.

The Consulting Team identified those research studies that appeared to offer conclusions that were not predisposed to bias. In addition, the Consulting Team interviewed key constituents in communities that currently host casinos to better understand the impact those casinos have had on those communities. The goal was to present to the reader a reasonably clear view of the social impact of casinos on their host communities.



II. ECONOMIC ANALYSIS

REGIONAL POPULATION

The Consulting Team analyzed regional population estimates and projections to illustrate regional population growth potential and trends within the analyzed areas. The Consulting Team also evaluated the region's total adult population to illustrate the number of potential gaming customers within the market area. Unless stated elsewhere, statistics in this report were derived from PCensus demographic mapping software.

GALT, CA

The City of Galt was home to a total population of 24,229 in 2013. Of that total, 15,976 were considered adults (21 years old or over). The City of Galt's adult population equates to 66% of the total population. Total population is expected have steady growth over the next six years and is projected at 25,988 in 2019. This represents a projected annual growth rate of 1.2%. The adult population is expected to grow at a slightly higher rate, with an annual projected increase of 1.6% over the next six years. Total adult population is estimated at 17,525 in 2019. The City of Galt's projected adult population growth rate is the highest among the three analyzed regions.

ELK GROVE, CA

Total population for the City of Elk Grove was quantified at 156,781 in 2013. This number is expected to steadily increase over the next six years with annual increases estimated at 1.2%. This is expected to result in a projected total population of 168,159 in 2019. The City of Elk Grove's adult population was quantified at 104,699 in 2013, which represented 67% of the entire population in that year. The adult population is also expected to show steady growth over the next six years, with total adult population estimated at 114,517 in 2019. This equates to a projected annual growth rate of 1.5%.

SACRAMENTO COUNTY, CA

Sacramento County was home to a total population of 1,453,442 in 2013. Of that total, 1,029,142, or 71%, were considered adults. Total population in this region is expected to steadily grow over the next six years, with total population projected at 1,558,040 in 2019. This represents an estimated annual growth rate of 1.2%. The adult population is expected to grow at a slightly higher rate, with an annual increase of 1.4% over the next six years. Total adult population is estimated at 1,117,295 in 2019. The following tables illustrate the population data for the selected regions.



Total Population by Market Segment			
	2013	2019	CAGR (‘13-‘19)
Galt	24,229	25,988	1.2%
Elk Grove	156,781	168,159	1.2%
Sacramento County	1,453,442	1,558,040	1.2%
Source: Pcenus, GMA			

Adult Population (21+) by Market Segment			
	2013	2019	CAGR (‘13-‘19)
Galt	15,976	17,525	1.6%
Elk Grove	104,699	114,517	1.5%
Sacramento County	1,029,142	1,117,295	1.4%
Source: Pcenus, GMA			

HOUSING

GMA analyzed historical home prices to better understand the region’s economic activity and trends. Home prices are key economic indicators that allude to the strength and stability of a regional economy. Housing price fluctuation often impacts expected population growth and disposable income. GMA also evaluated this data to understand how the recent recession impacted the local economy and how the region has recovered. The Consulting Team also analyzed the number of total housing units and the associated housing vacancy rates to understand the overall health of the housing market. GMA utilized statistics compiled in the 2000 and 2010 US Census to understand these housing market trends.

HOUSING PRICES, HOUSING UNITS & VACANCY RATES

GALT, CA

The median sales price for a home in Galt was \$197,000 in 2013. This represents an increase of 17% from the previous year. Although the City of Galt’s home prices are currently at five year highs, they are still substantially lower than their peak in 2008. In comparison to the two other analyzed areas, Galt had the lowest home prices. However, the city’s homes did have a greater year-over-year growth rate than the neighboring City of Elk Grove.

In 2000, total housing units were quantified at 6,197. This was substantially lower than the City of Elk Grove. Vacancy rates were listed at 3.8%, which was slightly lower than Sacramento County as a whole. In 2010, housing units totaled 7,678 representing an increase of 23.9% from



2000; however, vacancy rates increased to 5.4% which was likely a result of the recent recession.

ELK GROVE, CA

The median sales price for a home in Elk Grove was \$265,000 in 2013. This represents an increase of 15% from the prior year. As mentioned in the previous section, this substantial price increase is likely due to market recovery from the recession. Home prices peaked in 2008 at \$312,000, which is 15% higher than 2013 prices. Elk Grove had the highest home sales price among the three regions, and had experienced the greatest amount of recovery compared to 2008 peak prices. However, year-over-year growth was slightly lower than in the City of Galt and Sacramento County.

Total housing units were estimated at 18,903 in 2000, approximately three times larger than the neighboring City of Galt. The vacancy rate was 1.8%, which was substantially lower than rates experienced in both the City of Galt and Sacramento County. Total housing units increased to 50,634 in 2010, representing a 168% increase from 2000; however, vacancy rates nearly tripled from 2000 to 2010, ending the year at 5.3%.

SACRAMENTO COUNTY, CA

The median sales price for a home in Sacramento County was quantified at \$231,000 in 2013. This equates to an 18% increase from previous 2012 prices. Although home prices are at five year highs, they are still substantially lower than their peak in 2008. In comparison to the two other markets, Sacramento County had the greatest year-over-year housing price growth, which was quantified at 18%.

In the year 2000, total housing units were quantified at 474,817. This grew to 555,932 in 2013, representing an increase of 17.1%. This growth was also met with an increase in vacancy rates over the same ten year period. For the years 2000 and 2010, vacancy rates were calculated at 4.5% and 7.6% respectively. These rates were higher than the other two comparable cities. As previously mentioned, increased vacancy rates were likely caused by the recent recession and are expected to improve as the economy recovers.

The following tables list historical housing prices from 2008 to 2013. Total units and vacancy rates are also detailed to illustrate the overall health of the housing market.



Housing Prices by Market Segment						
	2008	2009	2010	2011	2012	2013
Galt	\$ 263,000	\$ 196,000	\$ 179,000	\$ 161,000	\$ 168,000	\$ 197,000
Elk Grove	\$ 312,000	\$ 260,000	\$ 236,000	\$ 219,000	\$ 230,000	\$ 265,000
Sacramento County	\$ 275,000	\$ 230,000	\$ 210,000	\$ 193,000	\$ 196,000	\$ 231,000
Source: Zillow						

Total Units and Housing Vacancy Rates				
	2000		2010	
	Total Units	% Vacant	Total Units	% Vacant
Galt	6,197	3.8%	7,678	5.4%
Elk Grove	18,903	1.8%	50,634	5.3%
Sacramento County	474,814	4.5%	555,932	7.6%
Source: U.S. Census Bureau/GMA				

EMPLOYMENT

Employment data was analyzed for the City of Galt, the City of Elk Grove, and Sacramento County as a whole. The Consulting Team focused on evaluating regional unemployment rates as this key economic indicator characterizes the strength and stability of a local economy. Additionally, GMA evaluated the ten largest employers in Sacramento County to understand the regional population's reliance on certain industries.

EMPLOYMENT

GALT, CA

The City of Galt's 2013 unemployment rate was quantified at 8.8%, which represents a 1.7% decrease from the previous year. The region's unemployment rate has steadily declined from recession highs of 12.7% in 2010. Unemployment reached a four year low at 7.6% in December 2013. Galt shared a similar unemployment history with Sacramento County. This is most likely attributable to Galt's reliance on Sacramento for employment opportunities. Galt's unemployment rate was 1.7% higher than Elk Grove's unemployment rate in 2013.

ELK GROVE, CA

Elk Grove had an unemployment rate of 7.1% in 2013, which was the lowest among the three analyzed regions. Elk Grove's unemployment rate reached a high of 12.7% in 2010; however, rates have consistently declined over the last four years, reaching a four year low of 6.1% in December 2013. Along with the lowest unemployment rate, Elk Grove also had a substantial



amount of recovery from its pre-recession rate. The 2013 rate is estimated to only be 0.3% higher than the 2008 rate of 5.8%.

SACRAMENTO COUNTY, CA

As previously mentioned, Sacramento County had a similar unemployment history to the City of Galt. Sacramento County's 2013 unemployment rate was 8.8%, which represented a 1.7% decrease from the previous year. The region's unemployment rate has steadily declined from recession highs of 12.7% in 2010. Unemployment reached a four year low at 7.6% in December 2013. The following table illustrates the unemployment rates for each analyzed region from 2008 to 2013.

Unemployment Rates (in percentages)			
	Galt	Elk Grove	Sacramento County
Dec-13	7.6	6.1	7.6
Nov-13	8.0	6.5	8.0
Oct-13	8.5	6.9	8.5
Sep-13	8.5	6.9	8.5
Aug-13	8.9	7.2	8.9
Jul-13	9.3	7.5	9.3
Jun-13	9.2	7.4	9.2
May-13	8.5	6.9	8.5
Apr-13	8.4	6.8	8.4
Mar-13	9.1	7.3	9.1
Feb-13	9.4	7.6	9.4
Jan-13	10.1	8.1	10.1
2013	8.8	7.1	8.8
2012	10.5	8.5	10.5
2011	12.1	9.8	12.1
2010	12.7	10.4	12.7
2009	11.3	9.1	11.3
2008	7.2	5.8	7.2

Source: Bureau of Labor Statistics/GMA

MAJOR EMPLOYERS

The following table lists the top employers for Sacramento County. Government was clearly the dominant employer in the area, with 63% of employees listed in chart of top 10 employers being funded by either the State of California or Sacramento County. Health services



represented the second largest industry, with 20% employed in this sector. The only other private sector among the top ten employers was technology. The technology industry was largely represented by the Intel Corporation.

By combining the 14,721 jobs created by the three school districts with other public sector jobs, nearly 95,000 jobs are attributed to the public sector. Although the following list is by no means comprehensive of all employers in the region, it is easy to conclude that the majority of residents rely on the public sector for employment.

Top 10 Sacramento County Employers		
	Employees (Full-Time)	Industry
State of California	69,763	Government
Sacramento County	11,450	Government
UC Davis Health System	7,725	Health Services
Dignity Health	7,069	Health Services
Intel Corporation	6,633	Technology
Kaiser Permanente	6,360	Health Services
Sutter Health Sacramento	5,765	Health Services
Elk Grove School District	5,021	Education
Sacramento City School District	5,000	Education
San Juan School District	4,700	Education
Source: Sacramento Business Journal/GMA		

REGIONAL INCOME

Regional AAHI was evaluated for Galt and Elk Grove along with Sacramento County as a whole. By evaluating regional AAHI, the Consulting Team can better understand a market's economic expectations and evaluate a region's economy. Typically, higher income levels correlate to higher disposable income levels, leading to a greater spend on entertainment which may include gambling. GMA analyzed AAHI estimates for 2013, projections for 2019 and the associated projected annual growth.

GALT, CA

The City of Galt had an AAHI of \$65,486 in 2013. This is the lowest AAHI among the three analyzed regions. AAHI is expected to experience slight growth over the next six years with a projected average annual growth rate of 0.5%. Total AAHI is expected to reach \$67,549 in 2019. The AAHI growth rate is on par with both Elk Grove and Sacramento County.



ELK GROVE, CA

The City of Elk Grove had the highest level of AAHI among all the analyzed market areas. In 2013 AAHI was \$89,466, which is also much higher than the \$70,968 national average. AAHI is expected to experience slight growth over the next six years with a projected average annual growth rate of 0.5%, which is slightly lower than the national average of 0.9%. Total AAHI is expected to reach \$92,289 in 2019.

SACRAMENTO COUNTY, CA

Sacramento County's AAHI was \$71,028 in 2013. Sacramento's AAHI is higher than the City of Galt, but much lower compared to the City of Elk Grove. As with the other two analyzed regions, AAHI is expected to experience modest growth over the next six years with a projected average annual growth rate of 0.5%. Total AAHI is expected to reach \$73,268 in 2019, which is slightly lower than the projected national average of \$74,352. The following table summarizes the estimated and projected AAHI for each of the analyzed regions in 2013 and 2019.

Average Annual Household Income by Market Segment			
	2013	2019	CAGR ('13-'19)
Galt	\$ 65,486	\$ 67,549	0.5%
Elk Grove	\$ 89,466	\$ 92,289	0.5%
Sacramento County	\$ 71,028	\$ 73,268	0.5%
Source: Pcenus, GMA			

EDUCATIONAL ATTAINMENT

Understanding the educational attainment of the local populace is useful to define the types of potential gaming customers in a specific region. GMA analyzed 2013 educational data for Galt and Elk Grove, along with Sacramento County as a whole.

GALT, CA

The City of Galt's level of educational attainment was substantially lower compared to the other analyzed regions. Residents that had obtained only a high school degree or lower accounted for nearly 46% of the entire population. Additionally, the region had low bachelor's degree attainment with only 11% of the population graduating from a four year institution. Only 9% of the population achieved an associate's degree, with the majority of residents having completed only some college level courses.

The overall size of Galt's public education system was much smaller compared to Elk Grove, which is attributable to the difference in the size of each city's population. The city had two



different school districts that had a combined total of five elementary schools, two middle schools and two high schools. One district was designated for the elementary/middle schools and the other was designated for high schools.

ELK GROVE, CA

Elk Grove's level of educational attainment was substantially higher than the other two regions. Only 10% of the population had not completed high school, which was much lower than the 19% figure estimated in Galt. Bachelor's degree attainment was much higher than the other two regions, with 25% of the population achieving a college degree in the subject year. Associates and professional degree attainment was also high, which indicates a highly educated populace. This high level of education is likely a reason for the high level of AAHI in the region.

Elk Grove has a large public education system compared to the surrounding regions. The city only has one school district, but it accounts for 58 different educational facilities. This total represents 40 elementary schools, nine middle schools and nine high schools.

SACRAMENTO COUNTY, CA

The overall educational attainment for Sacramento County was lower than Elk Grove, but much higher than the City of Galt. Residents that had only obtained a high school degree or lower accounted for 37% of the population. Bachelor and professional degree attainment were quantified at 19% and 9%, respectively. Similar to the other two regions, Sacramento County had a large number of residents that only completed some college courses. This number represented 26% of the entire population.

2013 Educational Attainment by Market Segment						
	Galt		Elk Grove		Sacramento County	
	Total	%	Total	%	Total	%
Less than 9th grade	1,237	8%	5,209	5%	66,069	7%
9th to 12th grade	1,690	11%	5,321	5%	74,833	8%
High school graduate	4,063	28%	18,199	19%	211,899	22%
Some college	4,160	28%	25,091	26%	242,158	26%
Associate degree	1,291	9%	11,134	11%	86,530	9%
Bachelor's degree	1,634	11%	23,752	25%	179,431	19%
Graduate/Professional	698	5%	8,607	9%	83,631	9%
Total	14,773	100%	97,313	100%	944,551	100%
Source: Pcenus, GMA						



2013 Public Educational Facilities				
	School Districts	Elementary Schools	Middle Schools	High Schools
Galt	2	5	2	2
Elk Grove	1	40	9	9
Sacramento County	16	208	45	44
Source: Sacramento County Office of Education, GMA				



III. SOCIAL IMPACT ANALYSIS

METHODOLOGY

Understanding the social impact of gaming on a community is a difficult task and one that is not easily measured. Despite the growth and magnitude of the gaming industry and the widespread participation of the general population in gaming activities, there is not a large amount of scientific research on the subject. Much of what exists is not rigorous because of insufficient data, under-developed methodologies or researchers' biases.¹

To better understand the impact of a casino project on a community, the GMA Consulting Team employed the following research methodology.

LITERATURE REVIEW

The GMA Consulting Team conducted an extensive review of literature including studies conducted for the US government, industry-sponsored research, university research and research sponsored by political and religious institutions. GMA then attempted to identify those research studies that offered the most thorough analysis and could provide the host community with an understanding of how a casino would impact the region.

After careful review of various reports, the Consulting Team ultimately relied on the findings presented in the National Gambling Impact Study Commission ("NGISC") in its Report to the US Congress and President that was completed in 1999² as well as a report entitled "The Impact of Gambling: Economic Effects More Measurable Than Social Effects," prepared by the General Accounting Office and presented to the Honorable Frank Wolf of the US House of Representatives.³ The latter report was viewed with a certain degree of skepticism by the gaming industry when it was released, since Representative Wolf had been an ardent opponent to the expansion of gaming in the United States. Nevertheless, the GMA Consulting Team found that it was a well-researched study that both questioned and validated the findings of the NGISC report. In addition, the report titled "Economic and Social Impact of Introducing Casino Gaming," prepared by The Federal Reserve Bank of Philadelphia⁴ and the study titled

¹ "Gambling's Impacts on People and Places," National Gambling Impact Study Commission, June 1999, pp. 7-1.

² National Gambling Impact Study Commission, June 1999.

³ "The Impact of Gambling: Economic Effects More Measurable Than Social Effects," General Accounting Office.

⁴ "Economic and Social Impact of Introducing Casino Gambling," Federal Reserve Bank of Philadelphia.



“Putting Problem Gambling in Perspective”⁵ by industry expert Andrew Klebanow, were used in the analysis of problem gambling.

UNDERSTANDING CASINO CUSTOMER BEHAVIORS

Gambling, in one form or another, is now legal in every state except Hawaii and Utah. A NGISC contractor stated that about 86% of Americans reported having gambled at least once during their lifetimes and 63% of Americans reported having gambled at least once during the previous year.⁶ This estimate is based on participation in all forms of gambling including lotteries, poker, Internet gambling, pari-mutuel wagering as well as casino gambling.

Before examining problem gambling, the GMA Consulting Team believes it is best to first understand the various kinds of people who visit casinos and their motivations for doing so. Industry expert Andrew M. Klebanow recently published an article on the subject and is summarized in the following paragraphs.⁷ Its purpose is to give the reader an understanding of casino customers from a psychographic standpoint.

THE FIVE BEHAVIORAL SEGMENTS OF CASINO CUSTOMERS

The notion of examining gaming customers based on behavior was first broached by casino operators in Atlantic City in the mid-1980's. Casinos wanted to better understand what motivated people to visit their properties and how to better meet their needs. This behavior-based approach to customer segmentation was refined by the author to include five distinct behavior segments.

Early studies identified three basic behavioral segments among casino customers: Recognition Seekers, Escapists and Reward Seekers. With the proliferation of local casinos throughout the United States over the past decade, additional behavioral segments have become evident. These include Socializers and Professionals.

RECOGNITION SEEKERS

Recognition Seekers represent a small share of total players yet they command a considerable amount of attention from the casino. These players have a high expectation of recognition

⁵ “Putting Problem Gambling in Perspective,” Andrew M. Klebanow, Indian Gaming Magazine, September, 2010, pp. 50-51.

⁶ GAO Report, p. 4.

⁷ “A Behavior Based Approach to Market Segmentation,” Andrew M. Klebanow, Indian Gaming Magazine, October, 2003, pp. 62-63.



from the property they patronize. They expect floor supervisors, restaurant maître D's and dealers to quickly recognize them and acknowledge their presence. They expect hosts to promptly greet them when they appear on the property. Player Development departments are designed, in large part, to provide the recognition and service that this segment demands. The reward to the casino property is an intensely loyal and frequent visitor.

ESCAPISTS

Escapists seek a getaway that does not resemble their everyday routine. Gambling invigorates them and awakens senses not normally stimulated in their everyday routines. By their nature Escapists prefer to remain anonymous. In other words, they enjoy coming into a casino and playing with minimal interaction with casino personnel. They share their loyalty among a small number of properties and require minimal maintenance in the form of personal attention and complimentary services.

REWARD SEEKERS

Reward Seekers are driven to visit a property by the casino's player rewards program or promotions that compensate them for their play. They believe they have a vested interest in the promotions and bonuses that casinos have to offer. It is their ability to identify the best "gaming value" that validates their superiority over other players and the casino in which they play. Reward seekers are also capricious in that they will patronize the casino that has the best monthly offer. Their gaming play goes to the casino with the best deal.

SOCIALIZERS

Socializers visit a casino to be around others. Even though gambling is often portrayed as un-social form of behavior requiring concentration and little distraction, it is the social environment of casinos that attracts these people to a particular property. They are intensely loyal and build relationships with change people, floor personnel and other gamblers. Once they identify with a particular property, they become a very loyal segment with high levels of visitation.

PROFESSIONALS

With the proliferation of liberal table game rules and full-pay video poker machines, a small cadre of players makes a living gambling in casinos. They pay very close attention to the types of games casinos offer. They closely scrutinize the pay tables on video poker games, the value of the cash-back component of a casino's player rewards program and casino complimentary policies.



Professionals generate large coin handle volume and accumulate voluminous amounts of slot club points. While an analysis of their theoretical win may indicate a profitable customer, more often than not their actual win/loss is difficult to gauge. Professionals readily pull their cards from reader boxes in the middle of a video poker hand if the outcome looks favorable in order to hide the true payout. This segment understands how reward programs work and how casino managers evaluate play.

Professionals will employ a variety of techniques to defend their position in a casino. They brag to hosts about the friends they bring who are not knowledgeable gamers. They readily turn to hosts for upgraded rooms and meals without debiting their comp dollar balances. This segment also poses the greatest threat to local gaming properties seeking to broaden their destination gambler segment. They prey on unsuspecting hosts eager to demonstrate their ability to bring in “big players.”

Professionals also share their knowledge in Internet discussion groups. Since their goal when visiting a casino is to consistently make money, they become resentful when a casino tightens up their promotional policies. Casinos do not make money off of professionals and their loyalty goes to the casino where they can make the most money.

SUMMARY OF CUSTOMER BEHAVIORS

Gaming customers are motivated to visit a casino for a variety of reasons. Some of those reasons may be viewed as criteria that define one as a problem gambler. However, as will be revealed in succeeding sections, the psychiatric community, in attempting to identify the characteristics of problem gamblers, sometimes misinterprets certain behaviors that are normal to people who participate in casino gaming activities. While the author of the article and the GMA Consulting Team do not challenge those definitions, the reader is asked to keep an open mind to the subject and understand that, to many people who participate in gaming activities, their behaviors are not viewed as problems. Behavioral scientists and the psychiatric community’s understanding of people’s behavior with regards to casino gambling is evolving as casinos continue to open across the United States.

DEFINITION OF PATHOLOGICAL GAMBLING

There are several terms used to describe “pathological gamblers.” Currently, the American Psychiatric Association in its Diagnostic and Statistical Manual of Mental Disorders (“DSM-IV”) classifies pathological gambling as an impulse control disorder and describes ten criteria to guide diagnoses. These range from repeated unsuccessful efforts to control, cut back or stop gambling to committing illegal acts such as forgery, fraud, theft or embezzlement to finance



gambling.⁸ The diagnostic criteria and their associated behavior patterns are listed in the following table.

Criteria for Pathological Gambling	
Diagnostic Criteria	Behavior Pattern
Pre-Occupation	Is pre-occupied with gambling (e.g. pre-occupied with reliving past gambling experiences, handicapping or planning the next venture, or thinking of ways to get money with which to gamble.
Tolerance	Needs to gamble with increasing amounts of money in order to achieve the desired excitement.
Withdrawal	Is restless or irritable when attempting to cut down or stop gambling.
Escape	Gambles as a way of escaping from problems or relieving dysphoric mood (e.g. feelings of helplessness, guilt, anxiety or depression).
Chasing	After losing money gambling, often returns another day in order to get even ("chasing one's losses").
Lying	Lies to family members, therapists or others to conceal the extent of involvement with gambling.
Loss of Control	Has made repeated unsuccessful efforts to control, cut back or stop gambling.
Illegal Acts	Has committed illegal acts (e.g. forgery, fraud, theft or embezzlement) in order to finance gambling.
Risked Significant Relationship	Has jeopardized or lost a significant relationship, job, educational or career opportunity because of gambling.
Bailout	Has relied on others to provide money to relieve a desperate financial situation caused by gambling.
Source: National Gambling Impact Study Commission Report, p. 4-2 American Psychiatric Association Diagnostic and Statistic Manual of Medical Disorders (DSM-IV)	

The American Psychiatric Association uses the following criteria to classify gaming behaviors based on the previously listed criteria.

Classification of Gaming Behaviors	
# of Behavior Criteria	Diagnosis
1 to 2	At risk
3 to 4	Problem Gambler
5 to 10	Pathological Gambler
Source: DSM-IV	

⁸ National Gambling Impact Study Commission, p. 4-1-4-2.



The NGISC Study reported on three studies completed in 1997 and 1998 that estimated the percentage of US adults classified as pathological gamblers, which ranged from 1.2 to 1.6%. An NGISC contractor, who conducted one of the three studies, estimated that about 2.5 million adults are pathological gamblers and another 3 million adults should be considered problem gamblers. The GAO study estimated that in 1990, 1.2% of New Jersey residents were probable pathological gamblers.⁹

BI-PRODUCTS OF PATHOLOGICAL GAMBLING

The social effects of gambling on communities are more difficult to measure than the economic effects, primarily because of the limited quality of data on social effects, the complexity of identifying and measuring the social effects and the difficulty of establishing a cause-effect relationship between gambling and social problems.¹⁰

The NGISC reported that pathological gambling often occurs in conjunction with other behavioral problems, including substance abuse, mood disorders and personality disorders. The NGISC further noted that mood disorders such as depression, suicidal thoughts, and anti-social hyperactivity often co-exist with pathological gambling. Joint occurrences are referred to as “co-morbidity.”

Co-morbidity presents a wealth of challenges to the medical researcher. How does one isolate the effects of pathological gambling on say, marital stability, from the effects of co-existing conditions like substance abuse? Is pathological gambling a bi-product of say, substance abuse? Is substance abuse a bi-product of problem gambling or is the combination of disorders caused by a more fundamental personality disorder? Is the severity of one disorder related to the other?

Even if one were able to isolate the effects of problem gambling in people who suffer from co-morbidity, how does one then isolate the effects of casino gambling from other forms of gambling? Casino gambling is only one form of gaming that also includes lotteries, Internet gambling, pari-mutuel gaming and card clubs. In fact, the most prevalent forms of gambling are the ones found in most neighborhoods: scratch lottery cards, lotto and video lottery terminals.

⁹ GAO Report, p. 4.

¹⁰ GAO Report, p 26.



For the researcher, the challenge is to first identify the preferred gaming venue and then to determine that venue's effects on the pathological gambler.¹¹

The GMA Consulting Team presents these issues to the reader to better illustrate the challenges that medical and social researchers face when attempting to identify the social costs of gaming and the effects that pathological gamblers have on their communities. It is simply not an easy task to quantify their effects.

MEASURING SOCIAL COSTS

In its report, the Federal Reserve Bank of Philadelphia categorizes social costs from problem gambling or other socially undesirable behavior potentially triggered by casinos, into three specific categories:

- (1) Costs borne by the individual exhibiting that behavior
- (2) Costs borne by the family and friends of that individual
- (3) Costs borne by society

The first category is considered to be private expenses of the individual. In other words, if a gambler knowingly, or rationally, undertakes certain behavior and subsequently assumes the full cost of his or her behavior, there are no social costs associated with that behavior. Gambling losses, even if they are disproportionately borne by some sectors of society, are not social costs any more than the cost of a ticket to a concert or sports event.¹²

The second and third categories are both external costs, but those that affect only the individual's family and friends may fall outside the scope of measurable costs. To the extent that we can quantify the increase in crime associated with a casino, we can then quantify the police, judicial, and penal costs associated with that crime. If problem gambling increases the suffering of the gambler's family, that cost is as real as the cost of the police time needed to apprehend a criminal, but may be impossible to quantify.¹³

Finally, the question of how much of any given cost is actually attributable to the casino is not straight forward. Simply observing that gambling is correlated with such problems does not imply that gambling causes them. If gambling were not an option, a person who has a pathological disorder may still find ways to cause harm to the community. This idea of co-

¹¹ National Gambling Impact Study Commission, p. 7-4.

¹² "Economic and Social Impact of Introducing Casino Gambling," Federal Reserve Bank of Philadelphia p. 19

¹³ "Economic and Social Impact of Introducing Casino Gambling," Federal Reserve Bank of Philadelphia p. 20



morbidity was addressed in the previous section, and enforces the difficulty in measuring the different social costs. The following list addresses specific social issues and the impact that casino gaming has on the host community.

SUICIDE

The NGISC reported that the suicide rate among pathological gamblers is higher than for any other addictive disorder, but questioned whether a link existed between gambling and suicide in general. The report stated that it heard repeated testimony and received various reports about suicide and attempted suicide on the part of individuals suffering from pathological gambling.

The GAO Report stated that the suicide rate in Atlantic County, the county where Atlantic City's casinos are located, was higher than the overall suicide rate in New Jersey, but lower than the national rate.¹⁴

DIVORCE

An assumed byproduct of pathological gambling is divorce. Marriages, under financial and emotional strains when one or both spouses are pathological gamblers, often end in divorce. Both the NGISC and GAO Reports examined divorce rates among pathological gamblers. The NGISC reported that, in one survey it examined, 53.5% of pathological gamblers reported having a divorce versus 18.2% for non-gamers and 29.2% for low-risk gamblers.

The GAO Report examined divorce rates in Atlantic County and found that the county's divorce rate was lower than the national average, but higher than New Jersey's rate in 1977, 1980 and 1990.¹⁵

CRIME

There is a general belief that the introduction of legalized gambling in a community will increase crime within that community. Another belief is that legalized gaming reduces crime because it eliminates incentives for illegal gambling.¹⁶ Both these beliefs are based more on anecdotal rather than empirical evidence.

¹⁴ GAO, p. 34.

¹⁵ GAO, p. 31.

¹⁶ National Gambling Impact Study Commission p. 7-42.



Destination casinos, by their nature, increase the volume of people into a given community. A 2,000 machine casino can easily attract and service 10,000 people in a day. Whenever that volume of people is introduced into a community, the volume of crime is expected to increase. This holds true for any large-scale development, whether it is a shopping mall, family-oriented water park or destination casino. While more people bring more crime, for most communities, the crime rate stays the same or declines.

The NGISC Report investigated the causal relationship between casinos and crime. It stated:

Jeremy Margolis, a former director of the Illinois State Police, who also served as assistant US attorney for the Northern District of Illinois and was the Illinois inspector general, published a comprehensive review of available information on gambling and crime. His study, "Casinos and Crime, an Analysis of the Evidence," was based upon ten jurisdictions that have commercial casinos. In testimony before the Commission, he stated that he found little documentation of a causal relationship between the two. Taken as a whole, the literature shows that communities with casinos are just as safe as communities that do not have casinos.¹⁷

Despite the statements made in the NGISC Report, the Consulting Team believes it is important to examine further the relationship of crime and casinos. In order to understand that relationship, it is first necessary to define the types of crime typically associated with destination casino gambling. These are generally divided into petty crime, violent crime, white collar crime and prostitution.

PETTY CRIME

Petty crime includes vandalism, burglaries, purse snatching, pick-pocketing, slot ticket snatching and other non-violent crimes. These are the types of crime that are typically exhibited in any high-traffic development. They are common wherever large volumes of people gather, whether at an outdoor concert, water park, shopping mall or casino. Part of the reason is that within any large group of people there is a segment that is prone to commit petty crimes. Also, any gathering of people creates opportunities for petty crimes for people who are predisposed towards crime.

Casinos are slightly more susceptible to petty crimes due to the type of customers they attract. Casinos are attractive environments to mature adults who may have limited or reduced mobility. Women who leave their handbags near gaming devices are attractive targets for

¹⁷ National Gambling Impact Study Commission, p. 7-14.



purse snatchers. People who display or count cash may also be targets for “grab and dash” thieves.

Petty crime is sometimes associated with pathological gambling. Petty thieves, having exhausted their money, may see a crime as an opportunity. However, the NGISC found little empirical data to support this argument. Nevertheless, the Consulting Team believes that a casino, regardless of its size, will experience petty crimes solely because of the volume of people that will visit the facility.

VIOLENT CRIME

Violent crime is criminal behavior that involves physical violence on victims. Such crime is often associated with gangs and other forms of organized crime as well as armed robberies by individuals. Despite the large amounts of cash that are normally stored in casinos, there is a surprisingly limited amount of violent crime inside casino properties. The highly visible security presence coupled with sophisticated surveillance systems that are normally found in casinos, preclude would be robbers from targeting casinos. Nonetheless, casinos are periodic targets of armed robberies and casinos in both Las Vegas and regional markets have been attacked by these types of criminals. Violent criminal behavior is not normally associated with pathological gamblers. Rather, these types of crime exist within the broader society.

WHITE COLLAR CRIME

White collar crime is one form of crime that is often associated with pathological gambling. Pathological gamblers, having exhausted savings, may resort to fraud and embezzlement to support their gambling compulsion. These types of crime do not occur in a casino but at the workplace. However, the NGISC Report stated the following:

An examination of arrest trends for embezzlement, forgery and fraud in nine of the largest casino markets shows no consistent pattern, although more jurisdictions report more decreases than increases in arrests.¹⁸

The GAO Report came to a different conclusion. It analyzed the Atlantic City market and stated that embezzlement arrests in Atlantic City were higher in the city than New Jersey or the United States and presented the following table as evidence.

¹⁸ National Gambling Impact Study Commission, p. 7-14.



Embezzlement Arrests Per 10,000 Population Atlantic City Market			
Year	United States	New Jersey	Atlantic City
1977	0.36	0.58	0.23
1978	0.38	0.55	0.92
1979	0.40	0.52	0.94
1980	0.42	0.25	0.00
1981	0.42	0.17	0.00
1982	0.39	0.16	0.00
1983	0.38	0.21	0.26
1984	0.40	0.23	0.00
1985	0.48	0.15	0.00
1986	0.52	0.18	0.27
1987	0.53	0.29	0.55
1988	0.61	0.22	4.36
1989	0.65	0.20	0.85
1990	0.61	0.20	0.00
1991	0.55	0.15	0.00
1992	0.55	0.16	0.00
1993	0.56	0.12	0.00
1994	0.57	0.09	0.00
1995	0.60	0.12	2.44
1996	0.65	0.15	0.00

Source: GAO Report p. 39

The table indicates that, during certain years, embezzlement arrests in Atlantic City increased over both the statewide average and national average. However, in most other years, there were no arrests in Atlantic City for such crimes.

It is impossible for a casino operator to determine which patrons participate in such forms of criminal behavior. However, the casino operator can provide valuable information to law enforcement personnel if an individual is suspected of fraud or embezzlement. A casino operator can investigate a suspect's spending patterns including check cashing habits, payment of markers and general spending patterns through the casino's player tracking system.

PROSTITUTION

Prostitution is endemic in both Nevada and Atlantic City. In Nevada, prostitution is legal in certain rural counties through state sanctioned brothels. Prostitution also occurs illegally in urban counties through escort services, call girls, street prostitutes and prostitutes that loiter in casino bars. While the latter is limited by casino security and surveillance, the former forms do operate with only minimal hindrance by law enforcement. Demand for prostitution is probably greater in Las Vegas since the city attracts a large proportion of male visitors attending conventions.



Prostitution also exists in Atlantic City, primarily in the form of street prostitution and the city suffers from a higher prostitution rate than the state or the US as a whole.

Prostitution Arrests Per 10,000 Population Atlantic City Market				
Year	United States	New Jersey	Atlantic City Pop Adjusted(1)	Atlantic City Pop Unadjusted(2)
1977	4.34	1.44	14.26	20.89
1978	4.49	1.07	31.08	53.08
1979	4.49	1.03	20.73	42.61
1980	4.24	1.18	12.89	37.13
1981	5.07	1.34	15.67	55.52
1982	5.93	2.30	31.76	122.88
1983	5.94	2.27	23.88	100.27
1984	5.66	1.91	23.54	107.60
1985	5.53	3.15	36.35	169.33
1986	5.23	3.66	28.33	138.67
1987	4.99	2.31	16.82	88.89
1988	4.25	2.41	19.97	106.15
1989	4.42	2.56	14.12	76.58
1990	4.64	3.44	18.02	92.40
1991	4.53	3.33	21.20	105.69
1992	4.37	3.33	20.80	102.94
1993	4.43	3.99	19.55	96.97
1994	4.17	3.29	18.90	95.60
1995	4.46	2.97	12.93	69.38
1996	4.25	3.02	11.36	61.43
1997	4.19	3.91	9.59	52.08
Avg	4.74	2.57	20.08	85.53
(1) Population was adjusted to include visitors and nonresident workers.				
(2) Population was not adjusted and is based solely on the local resident population.				

The prostitution rate in Atlantic City is high for a number of reasons. First, the casinos are bordered to the east by large, poor residential neighborhoods where the incidence of substance abuse and street crime has historically been very high. Second, dark and poorly lit side streets to the east of the casinos create ideal conditions for street prostitution. Third, the casinos serve a purely adult market and attract male customers who may be predisposed to participating in street prostitution. While prostitution is found on the streets near the casino, casino security and surveillance systems are able to monitor and evict prostitutes from their properties.

The three casino scenarios under examination in this report do not lend themselves to street prostitution. Each of the proposed casinos is isolated from urban areas and is surrounded by rural roads. There are no sidewalks, buildings or other edifices that would lend themselves to



street prostitution and a vigilant security presence on property will prohibit this crime on property.

SOCIAL SERVICES

According to a PricewaterhouseCoopers survey titled, “Gaming Industry Employee Impact Survey,” the introduction of casino gaming eliminated the need for specific social services offered to local residents.¹⁹ The survey polled nearly 178,000 employees, which represented more than half of the commercial casino industry workforce in the United States. The results of the survey indicated that 16% had used their casino jobs to replace unemployment benefits, 63% had improved their access to health care benefits and 43% had better access to day care for their children. In addition, 65% had developed new job skills as a result of their employment and 78% indicated that their employer provided them with training to perform their job.

BANKRUPTCY

On the issue of bankruptcy, there have been conflicting reports regarding the connection with casino gaming. The NGISC established that there was a connection in the location of a casino and the rate of bankruptcy filings in that area.²⁰ This was measured by either jurisdiction or proximity, for example, a 50-mile radius. However, this study has its share of opponents who say that the report did not factor in the additional amount of visitors that the casino draws in.

The NGISC also acknowledged a counter argument made by Rudy Cerone, an active member of the American Bankruptcy Institute and the immediate past chair of the Bankruptcy Section of the Louisiana State Bar Association. Cerone told the Commission:

The increase in consumer bankruptcies has little or nothing to do with gambling in the gross amount. It's mainly credit card companies pushing their products on the consumers and the ease of the bankruptcy laws allowing consumers an easy way out. Those are the two main factors for the great rise in bankruptcies, not only here in Louisiana, but across the country.²¹

Furthermore, the National Opinion Research Center at the University of Chicago performed a survey for the commission, compiling and examining information from 100 randomly selected

¹⁹ PricewaterhouseCoopers, 1997

²⁰ National Gambling Impact Study Commission

²¹ National Gambling Impact Study Commission



communities as well as 10 communities within 50 miles of a casino. This survey found that casino proximity did not contribute to increased bankruptcy.²²

²² National Opinion Research Center (NORC)



IV. CASINO IMPACTS ON COMMUNITY LAW ENFORCEMENT

COMPARABLE MARKETS ANALYSIS

GMA conducted interviews with various city and police department officials and analyzed police department data from communities where gaming facilities have recently been established. The purpose of this exercise was to understand and gauge what impacts these markets have experienced as a result of having casinos in their cities. Casino openings have created an incremental increase in calls and arrests. Based on historical staffing levels, activity volume and anecdotal commentary by department officials, the operation of the casinos evaluated have not required additional staffing or costs to manage casino related incidents. The fluctuation in staffing levels may be attributable to events such as recessions and other factors. The volume of incident calls and arrests varied from market to market with the types of crime reported remaining fairly consistent. Traffic related incidents and DUI/DWI arrests were the most common and prevalent issues reported.

The following section summarizes interviews with various police department officials in jurisdictions where casinos are present and provides qualitative and anecdotal commentary supported by criminal incident report, arrest, and police staffing statistics.

ANNE ARUNDEL COUNTY, MARYLAND

Anne Arundel County, MD is home to the Maryland Live Casino. Lynne Kelley from the Police Department Central Records Department stated that she did not think that the casino had much effect on crime across the county, especially because the county is so large, geographically. She also said that it would be difficult to track things over the past ten years because the area where the casino is located was entirely unincorporated until 2007 and that there was little in that area other than the Arundel Mills shopping center. Public services in Hanover are handled by the county, so it is not possible to gauge the impact at a more localized level. In 2013, the first full year of casino operation, there were 184 incident reports at the casino (approximately 15 per month) and 64 arrests (approximately 5.3 per month).

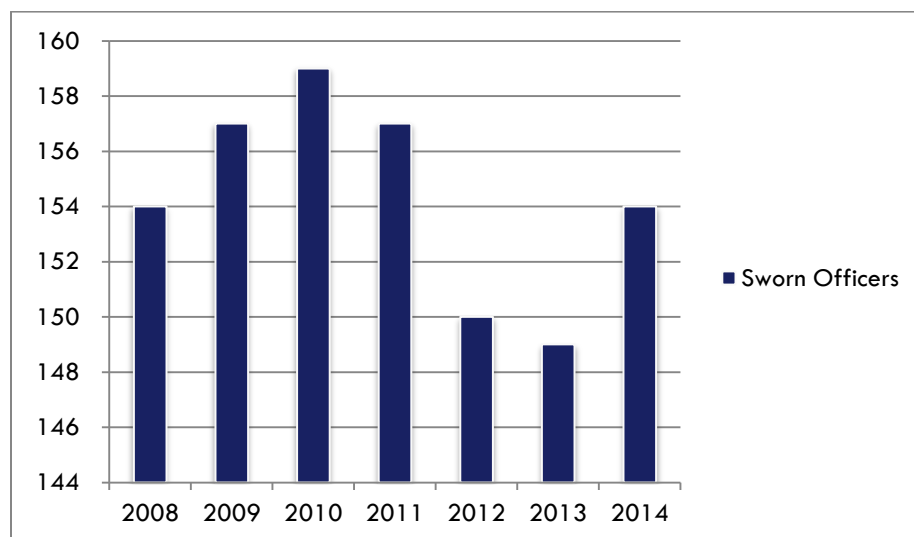
BETHLEHEM, PENNSYLVANIA

The Sands Casino is located in Bethlehem, PA. The Bethlehem Police Department Open Records Officer William Karras provided data that suggests the opening of the casino has had little impact on crime in the area. There has been a steady average of six annual DUI/DWI arrests over the past six years, and the department did not need to add any staff or equipment in response to the opening of the casino. Cynthia Bartera, a paralegal from the Office of the City Solicitor, added that since the casino opened in 2009 (six years ago, through June 2015), the



Bethlehem Police Department responded to 2,019 calls to the casino which equates to approximately 1 call per day. The purposes of these calls span a wide range, from parking tickets to animal control to crimes. Bartera also noted that the casino accommodates 20,000 visitors per day, such that this equates to approximately one arrest per 100,000 visitors. Overall, the department responds to approximately 200,000 calls per year or about 550 calls per day suggesting that 1 call per day to the casino is not a significant impact on department resources.

Bethlehem Police Sworn Officers



Source: Bethlehem Police Department

CINCINNATI, OHIO

The Horseshoe Casino is located in downtown Cincinnati, OH. Cincinnati Police Department Records Officer Dianne Nelson was not aware of any Memorandum of Understanding (“MOU”) or other agreement with the Horseshoe Casino to provide funding to their police department. This is likely due to the fact that it is mandated by Ohio law that casinos provide funding to numerous governmental agencies and therefore individual police departments do not need to negotiate terms with casinos. The *Ohio Revised Code, Chapter 5753: Casinos* states:

5753.02 Tax levied on casino revenue: For the purpose of funding the needs of cities, counties, public school districts, law enforcement, and the horse racing industry; funding efforts to alleviate problem gambling and substance abuse; defraying Ohio casino control commission operating costs; and defraying the costs of administering the tax, a tax is levied on the gross casino revenue received by a casino operator of a casino facility at the rate of thirty-three per cent of the casino operator's gross casino revenue at the casino facility. The tax is in addition to any other taxes or fees imposed under the Revised Code or other law and for which the casino operator is liable under Section 6(C)(2) of Article XV, Ohio Constitution.

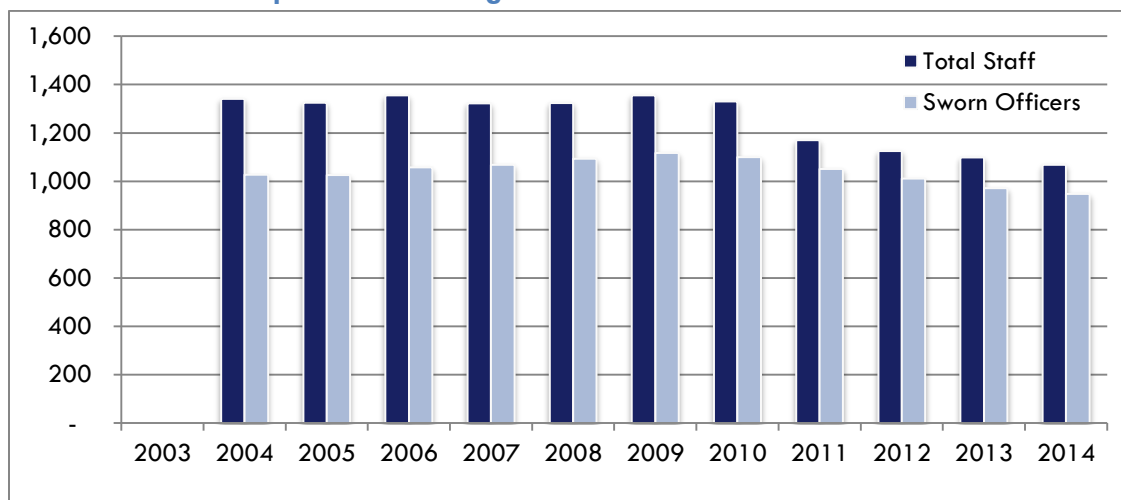


Section 5753.03 - Funds Created, Article (3)(D)(5) that it allocates “two per cent to the Ohio law enforcement training fund to support law enforcement functions in the state.

From this we know that law enforcement within the casino district receives significant funding from casino revenue, but law enforcement staff seem to be unaware of this funding.

The Cincinnati Police Department does not appear to have experienced any significant impact by the opening of the Horseshoe Casino. In examining data provided by Paul Byers, Crime Analyst for the Cincinnati Police Department, there appears to be little effect on crime spurred by the gaming facility. The police department did not need to add any staff in response to the opening of the casino, and has in fact reduced the number of sworn officers and support staff since the casino opened.

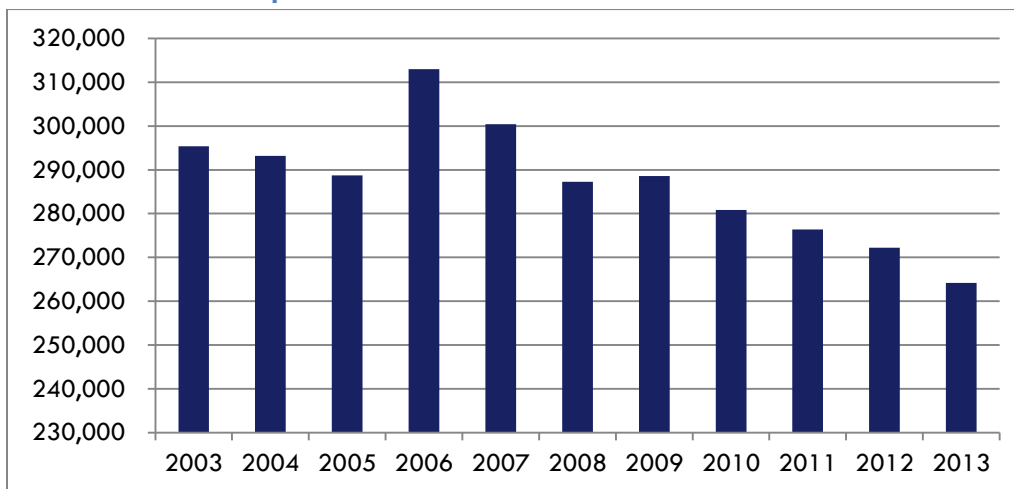
Cincinnati Police Department Staffing



Source: Cincinnati Police Department

The department has likewise seen a reduction in total annual 911 calls, indicating that the opening of the Horseshoe Casino has had no effect on crime in the city.

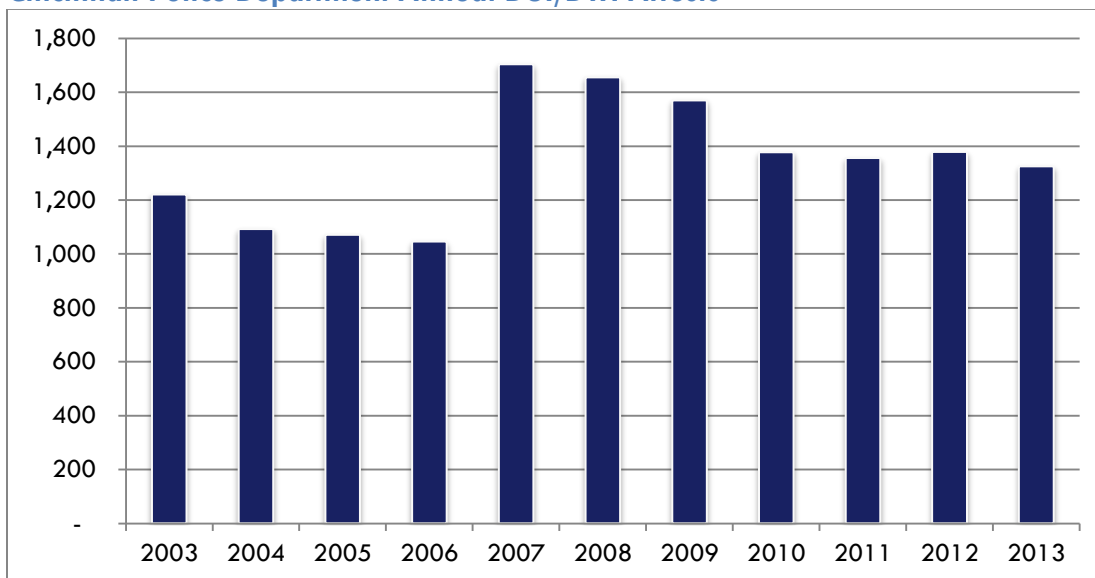
Cincinnati Police Department Annual 911 Calls



Source: Cincinnati Police Department

The number of annual DUI/DWI arrests in Cincinnati has increased from ten years ago, but the number peaked in 2007, and has steadily declined since then, showing no increase with the opening of the casino. This indicates that the casino has had no impact on citizens drinking and driving.

Cincinnati Police Department Annual DUI/DWI Arrests

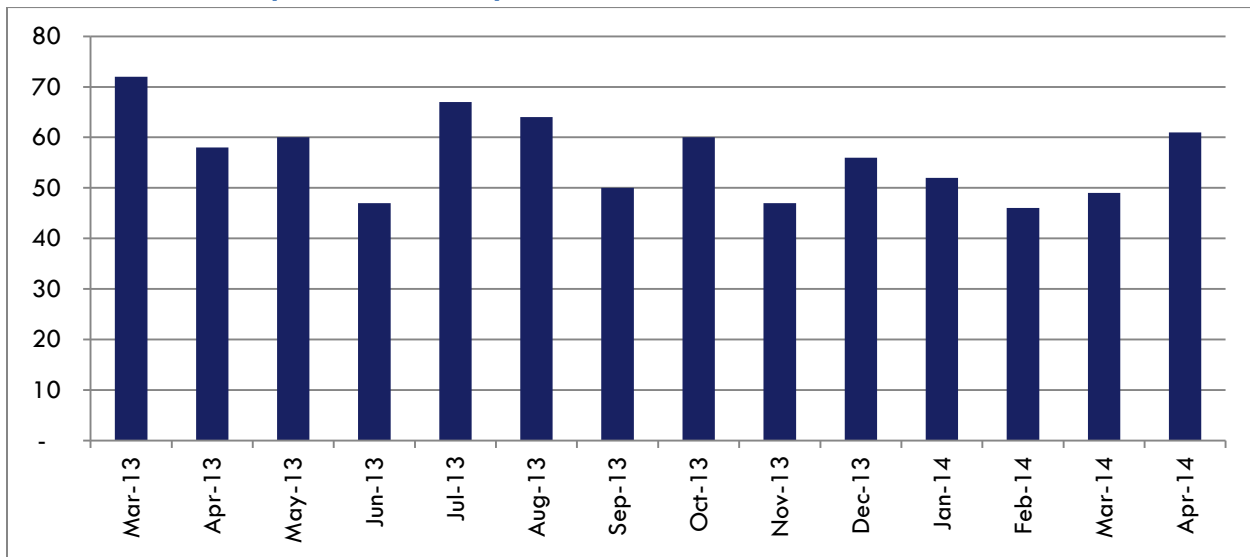


Source: Cincinnati Police Department

The police department has had to dedicate time and manpower to handling incidents at the casino. There is an average of 56 calls per month. However, only 128 of the 840 calls to the casino in the 15 months since the casino opened (through the data collection interview) have resulted in an arrest, or about 15 percent of all calls.



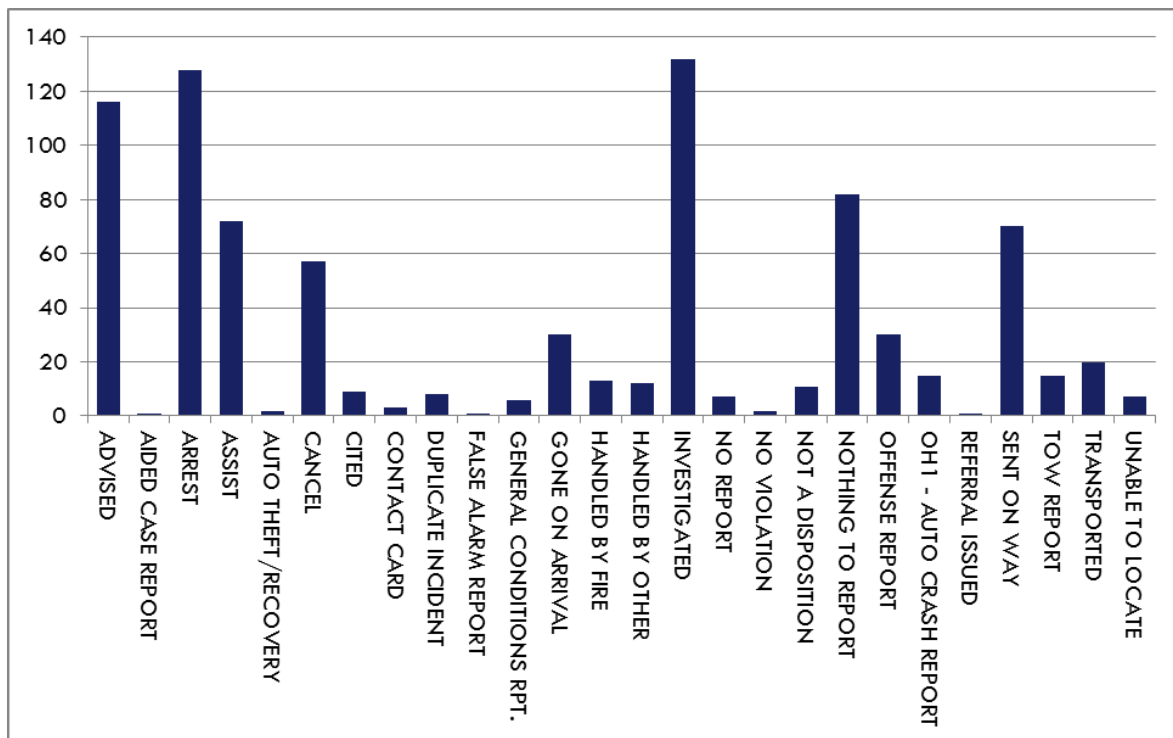
Cincinnati Police Department Monthly Calls to Casino



Source: Cincinnati Police Department

The vast majority of calls do not result in arrest, and fall into other categories, as demonstrated in the following table. While this does take departmental time and resources, the majority of calls are disposed and do not result in arrest or additional police time for transport and processing.

Cincinnati Police Result of Calls to Casino



Source: Cincinnati Police Department



EMMETSBURG, BLACK HAWK COUNTY, IOWA

The Wild Rose Casino and Resort is located in Emmetsburg, IA and the Isle Casino Hotel is in the City of Waterloo. Both cities are in Black Hawk County. The Emmetsburg, IA Chief of Police Eric Hanson stated that his department gets eight to ten calls per month to the Wild Rose Casino and Resort, and that they fall into three main categories: request for support of armored trucks transporting casino property, ambulance calls, and requests to unlock vehicles. He said that it is extremely rare that the police department is called to the casino for criminal activity and that there are very few arrests made. He said that on the occasions that an arrest is made about 20% of the time, it is usually for public intoxication.

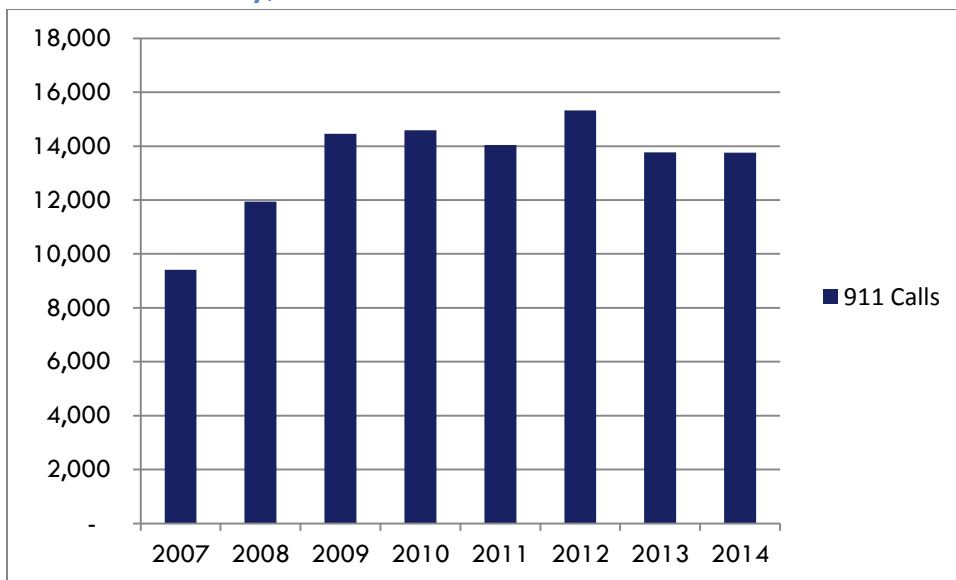
Chief Hanson said that the number of DUI/DWI arrests over the past ten years has remained relatively steady and he does not feel that there was an increase due to the casino opening. He provided information that there have been a total of 158 DUI/DWI arrests over the past ten years, for an average of 15.8 arrests annually. His department did not add any staff or equipment due to the opening of the casino, and has had six full time officers and one secretary for the past ten years. There was not an MOU with the casino when it opened and the police department has not received any funds directly from the casino, but has applied for and received grant funding from the casino's non-profit foundation.

Deputy George Wright of the Black Hawk County Sheriff's Department stated that the department had not added any staff when the Isle Hotel and Casino opened, but that they had loaned the Iowa Department of Criminal Investigations, which handles many of the law enforcement activities for the casino, the use of their NetMotion/Shield software to track offenders in Black Hawk County at a cost of \$500 to the department. They did not have an MOU with the casino and have not received any funding from the casino.

Since the casino opened there has been an increase in the number of annual 911 calls that the Black Hawk County Sheriff's Department receives, going from 9,405 calls in 2007, the year the casino opened, to a peak of 15,328 calls in 2012, a 63 percent increase. However, the number of annual 911 calls has fallen in the past two years.



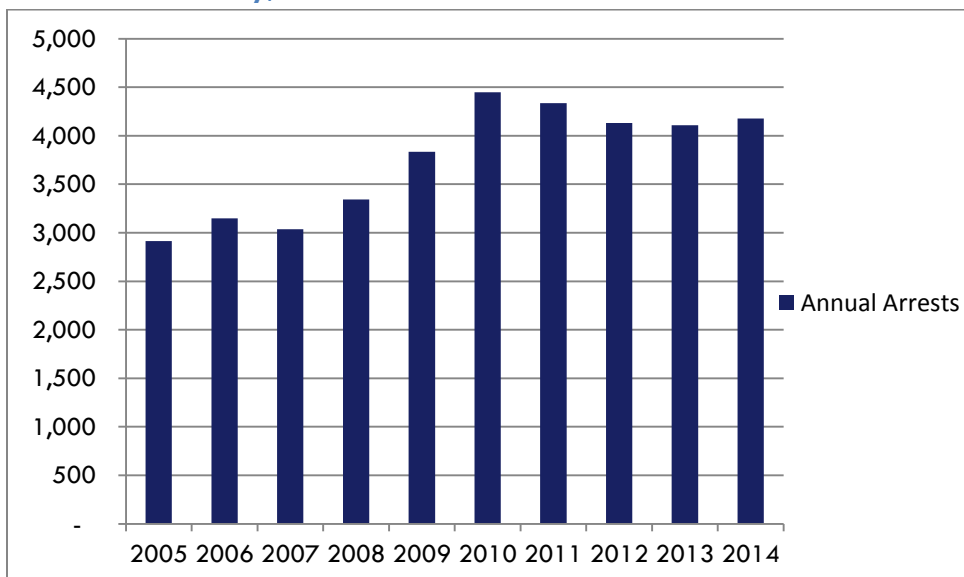
Black Hawk County, IA Sheriff Annual 911 Calls



Source: Black Hawk County Sheriff Office

Similarly, there has been an increase in the annual number of arrests and number of DUI/DWI arrests since the casino in Black Hawk County opened. However, this trend began prior to the casino opening, but there was a significant increase in DUI/DWI arrests after the casino opened. Deputy Wright did not indicate whether he felt these increases were due to the opening of the Isle Casino or not.

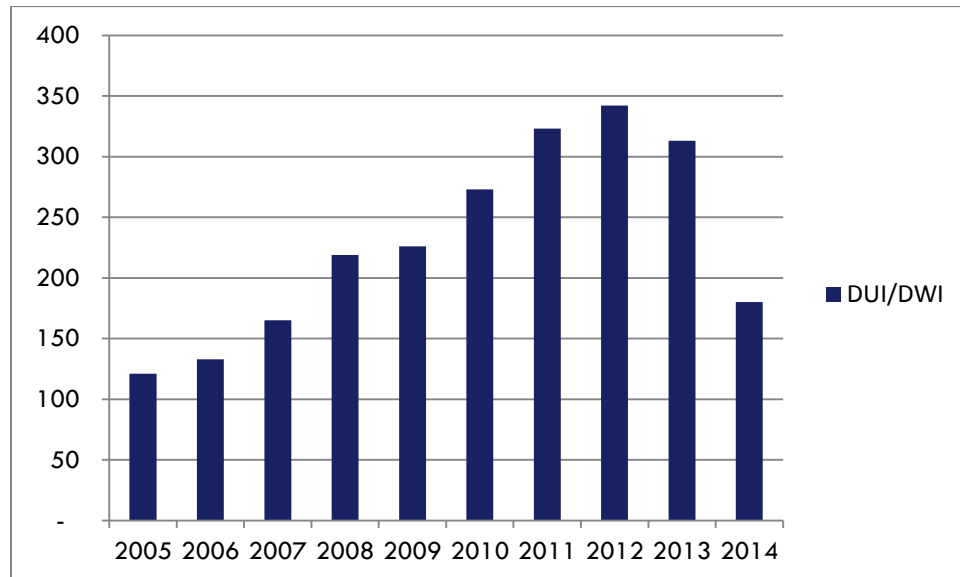
Black Hawk County, IA Sheriff Annual Arrests



Source: Black Hawk County Sheriff Office



Black Hawk County, IA Sheriff Annual DUI/DWI Arrests



Source: Black Hawk County Sheriff Office

OXFORD, MAINE

Lieutenant Mike Ward of the Oxford, Maine Police Department stated that the number of calls to his department has increased in the past two to three years, but he indicated that this was due to all of the new businesses that had recently opened in Oxford and were bringing many people to the area. He said that in addition to the Oxford Casino, a Wal-Mart and numerous other businesses had recently opened that brought more people into Oxford from out of town than actually live in the city. He stated that they were “a small community of about 4,000 people. These businesses opening have been a boon for the town. We have a great relationship with the casino and the other businesses.” He was very enthusiastic about the Oxford Casino and said that it had brought many jobs to the community. Furthermore, he had not noticed any increase in serious crimes. Oxford Police respond to approximately fifteen incidents a month at the casino and average about five arrests. Lieutenant Ward also noted that there was far more traffic in the town, again stating that “businesses are bringing more people in than actually live here.” Although there was more traffic, Lieutenant Ward seemed to view the increased activity in the town as a significant positive improvement.

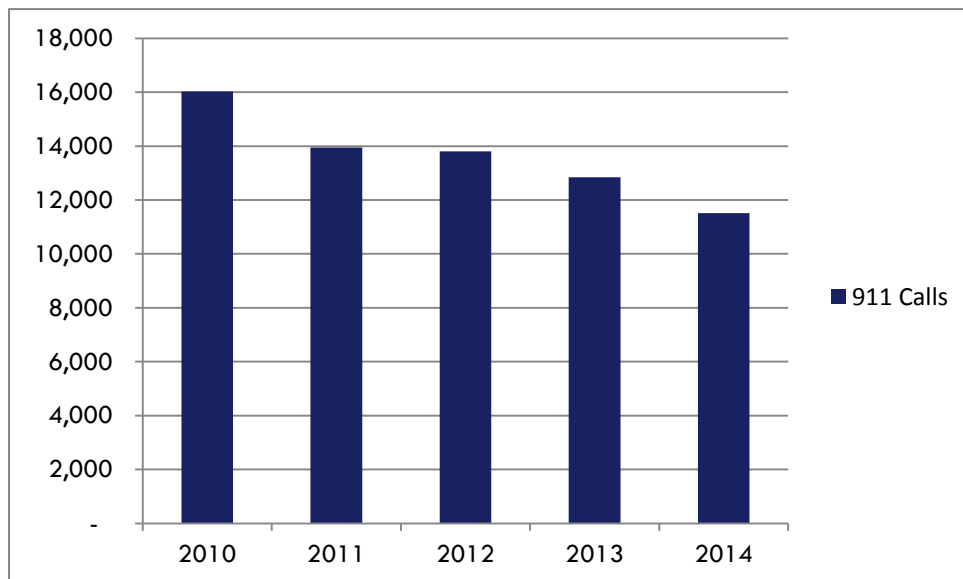
MOUNT POCONO, PENNSYLVANIA

The Mount Airy Casino Resort is located in Mount Pocono, PA. The Pocono Mountain Regional Police Department serves Tobyhanna, Mt. Pocono, Tunkhannok and Coolbaugh, which are the communities surrounding the Mt. Airy Casino. Chief Harry Lewis only had data available going back to 2010, which is after the casino opened, but in all categories surveyed there has been a



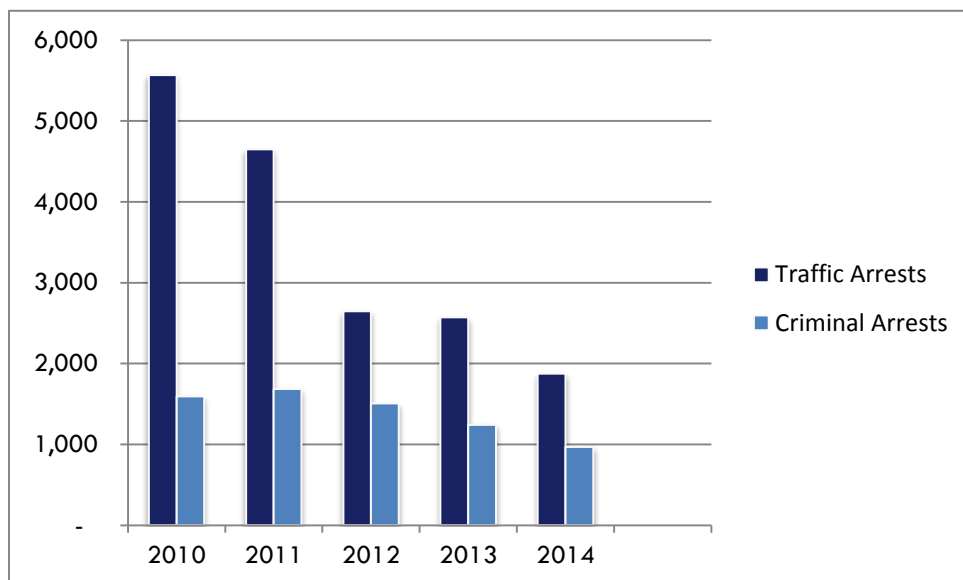
steady decline in incidents, suggesting that the casino is not a continuing negative influence on criminal activity in the Mount Pocono region.

Pocono Mountain Regional Police Annual 911 Calls



Source: Pocono Mountain Regional Police Department

Pocono Mountain Regional Police Annual Traffic/Criminal Arrests



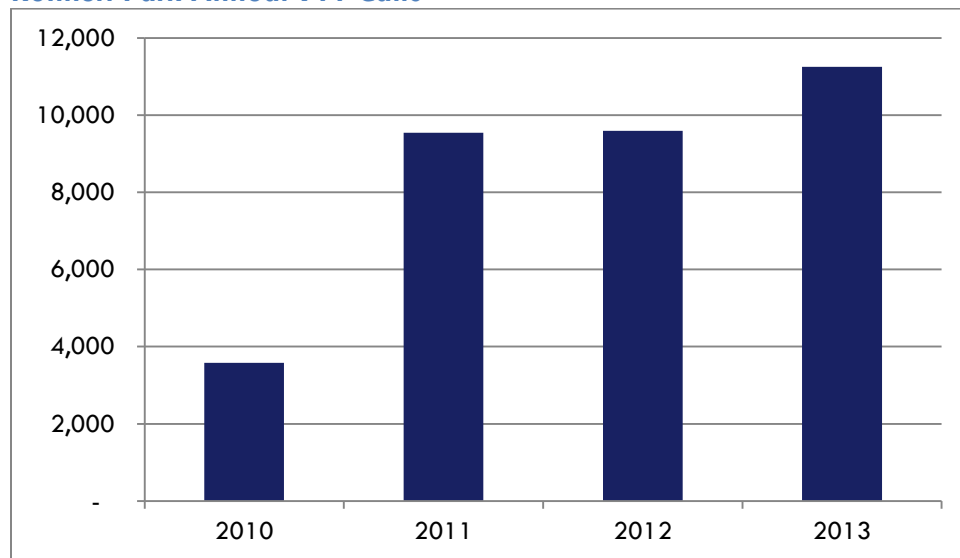
Source: Pocono Mountain Regional Police Department



ROHNERT PARK, CALIFORNIA

The Graton Casino Resort is in Rohnert Park, CA. Rohnert Park uses a Public Safety Model, which is a combined Police and Fire Service, where all sworn employees perform both police and fire service duties. As such, they do not have separate figures or services for numbers of calls specific to police or fire service. Bryce Atkins, Senior Analyst for the City of Rohnert Park, stressed that for all crime statistics, “It may help to remember that the Graton Casino has only been open for seven months, and these statistics may change over time, potentially dramatically in either direction, as the data we have collected is only for a short time.” According to his data, they have not yet seen any increases in calls or crimes due to the casino, in Atkins's opinion. The number of 911 calls was not captured until 2010, and in 2011 there was a significant jump “when we started getting wireless 911 calls,” according to Atkins. According to Lieutenant Steve Brown of the Sonoma County Sheriff's Office, about 5 incident calls per day have been logged at the casino in a November 2014 report (one year after opening). Many of the approximate 1,700 calls during the year were initiated by deputies patrolling the area. Lieutenant Brown also stated “We are not seeing the fights and other violent crime reports that we were expecting.”

Rohnert Park Annual 911 Calls

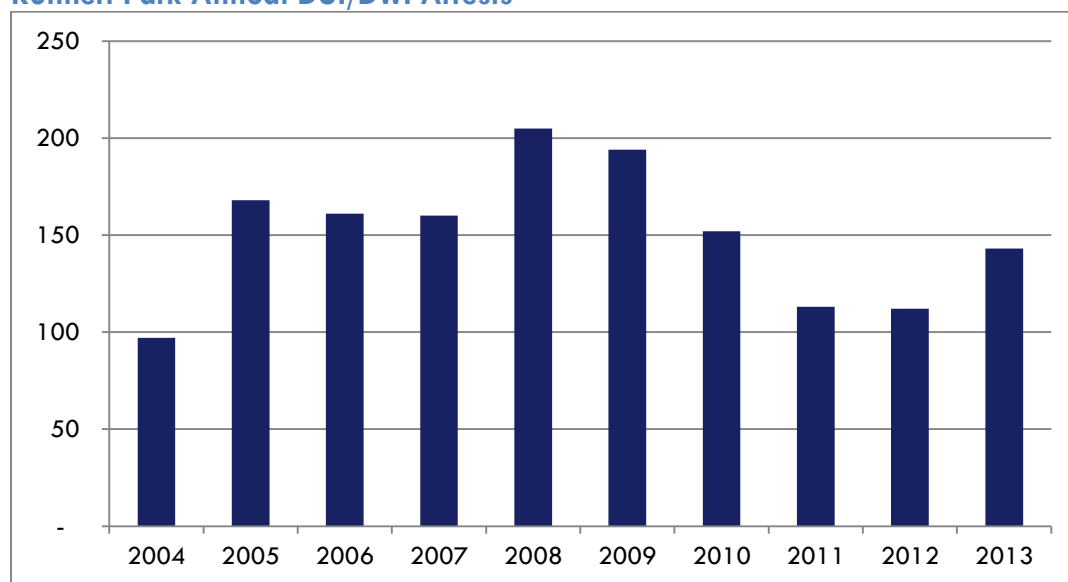


Source: Rohnert Park Department of Public Safety

Although call volume has increased significantly, the police department and city officials do not feel that this is attributable to the casino's impact on the community. While the 911 call volume has increased, overall crime statistics have trended downward since 2010. The number of annual DUI/DWI arrests has dropped significantly since its peak of 205 arrests in 2008.



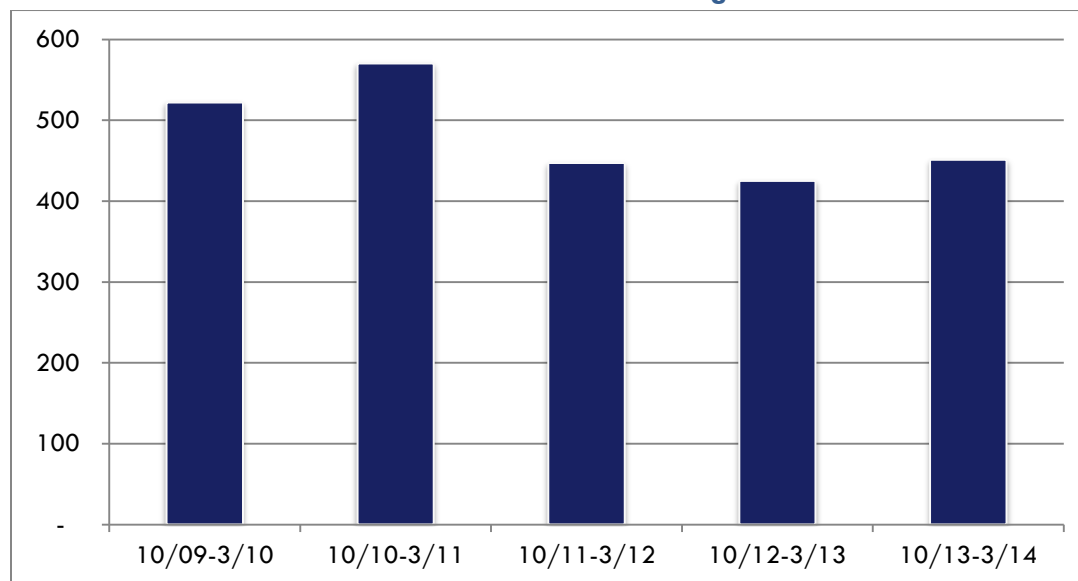
Rohnert Park Annual DUI/DWI Arrests



Source: Rohnert Park Department of Public Safety

Rohnert Park tracks crime in six month intervals for comparison purposes. In the past five years major crimes, such as homicide, rape, and aggravated assault, known as “Part I Crimes” and less serious offenses such as vandalism, fraud, and juvenile arrests, known as “Part II Crimes” have declined. As Atkins stated, it is very early to make a determination as to the long-term effect of the casino on the community, but there has been very little initial impact on crime and police services.

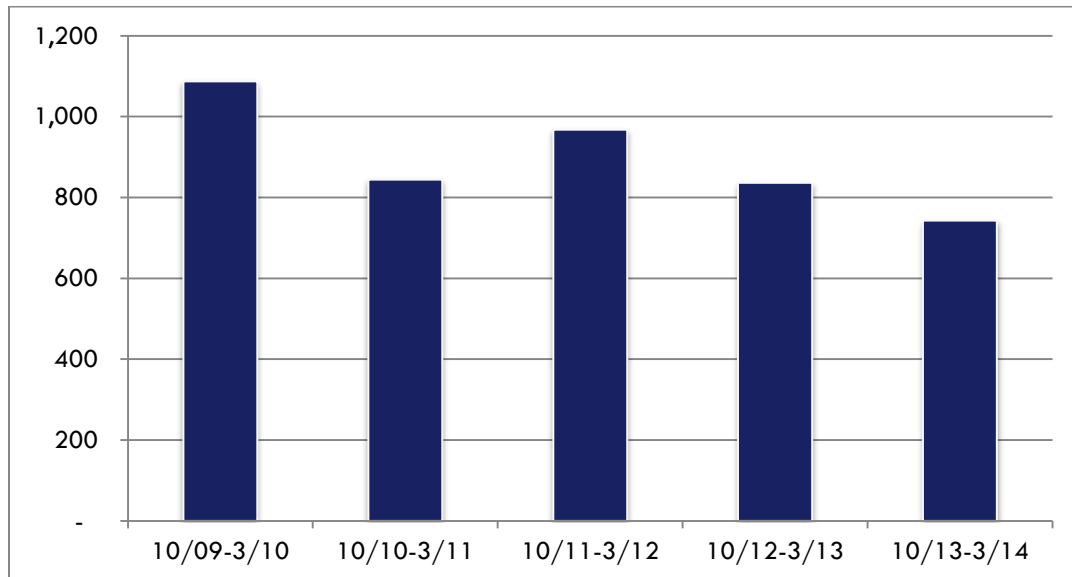
Rohnert Park Part I Crimes – October to March Averages



Source: Rohnert Park Department of Public Safety



Rohnert Park Part II Crimes – October to March Averages



Source: Rohnert Park Department of Public Safety

Rohnert Park Public Safety did negotiate an MOU with the Federated Indians of Graton Rancheria, the owners of the Graton Resort and Casino. In the MOU, it states that the “City acknowledges that the contributions and investments to be made by the Tribe and the other covenants made by the Tribe as set forth in this MOU are intended to be sufficient to mitigate the impacts of the Project in the City.” The agreement also identifies areas in which funding will be allocated, stating that:

In acknowledging the contributions and investments to be made by the Tribe... the City intends to use the funding provided by the Tribe to mitigate impact on City resources such as traffic, staffing levels in public safety, public works, traffic circulation, neighborhood upgrades, workforce housing, problem gambling, storm water drainage and other impacts.

This agreement established the Graton Mitigation Fund, the account created by the State Gaming Agency for receipt of revenues paid by the Tribe and for the distribution of these revenues. Specific funding provided in the MOU is:

Non-recurring Contributions

- Development Fee - \$2,664,000
- Law Enforcement - \$500,000
- Public Safety Building - \$3,750,000
- Ladder Fire Truck - \$1,200,000



- Public Safety Vehicles - \$410,000
- Traffic Impacts - \$450,000
- Storm Water Mitigation - up to \$700,000

Recurring Annual Contributions

- Supplemental Contribution - \$5,000,000
- Law Enforcement - \$500,000
- Problem Gambling - \$125,000
- Storm Water Mitigation - \$50,000
- Public Services - \$2,369,000
- School District - \$1,000,000
- Rohnert Park Foundation Contribution - \$1,000,000
- Charitable Contribution (organization of Graton's choosing) - \$1,000,000
- Community Contribution (to City of Rohnert Park) - \$1,000,000

The Rohnert Park Department of Public Safety used a portion of this funding to hire a Traffic Officer and a Traffic Sergeant.

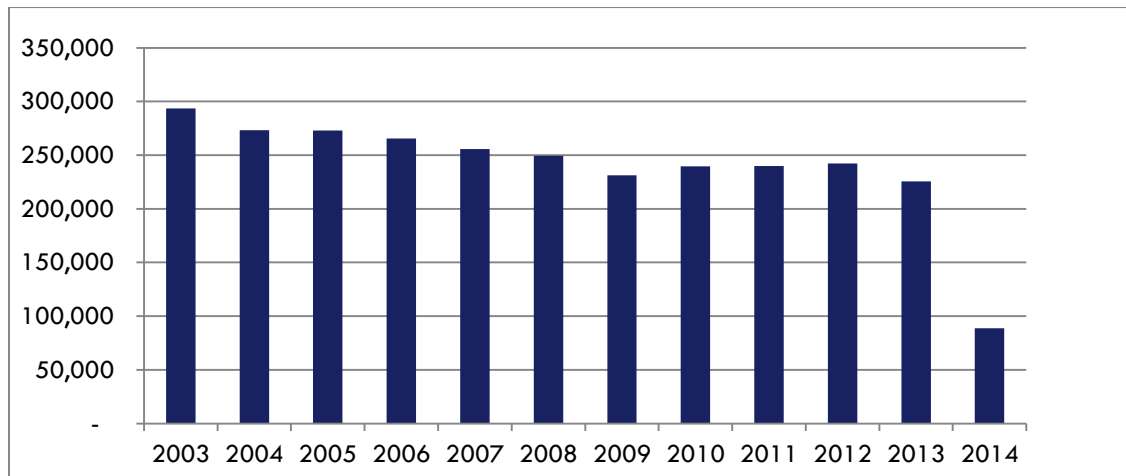
TOLEDO, OHIO

The Hollywood Casino is located in Toledo, OH. Toledo Police Department Lieutenant Jason Brown stated that the casino has had little impact on the department because the Hollywood Casino employs off-duty police officers and private security to deal with most issues and therefore Toledo police “don't get many casino calls.” He felt that the casino had a positive effect on the community and that while he had initially been skeptical because of some of the effects of the MGM Grand Casino in Detroit, the Hollywood casino brought “lots of jobs and lots of tourists” to the Toledo area. He stated that he felt that some of that was due to the fact that Hollywood is “not a massive casino” and they do not experience some of the problems of other casinos. As he put it, “not a lot of shady stuff has happened.”

According to data provided by Lieutenant Brown, there has not been an increase in overall 911 calls, and the department has not needed to add any staff to deal with increased crime.

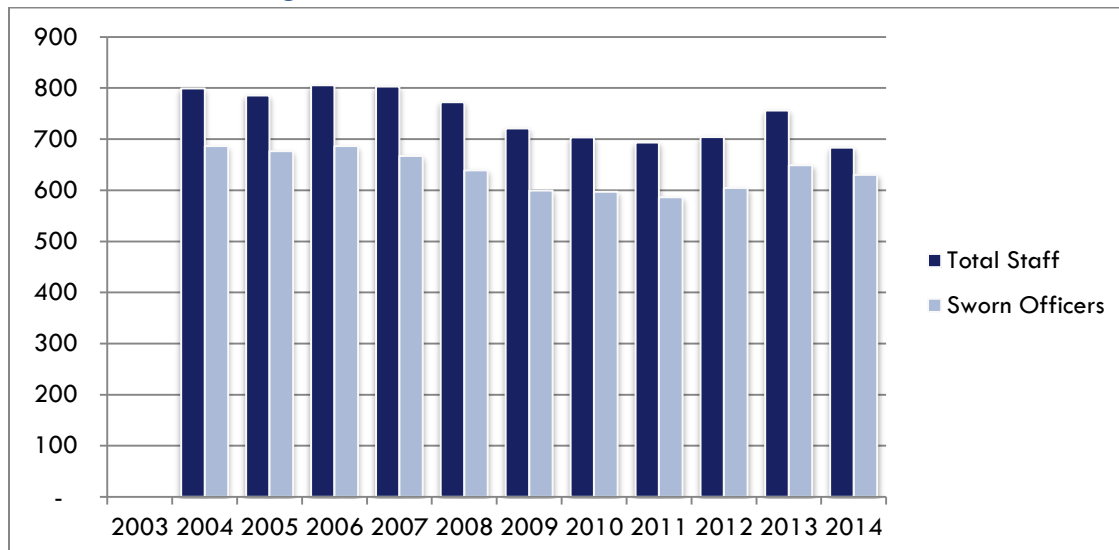


Toledo Annual 911 Calls for Police Service



Source: Toledo Police Department. 2014 is partial year data.

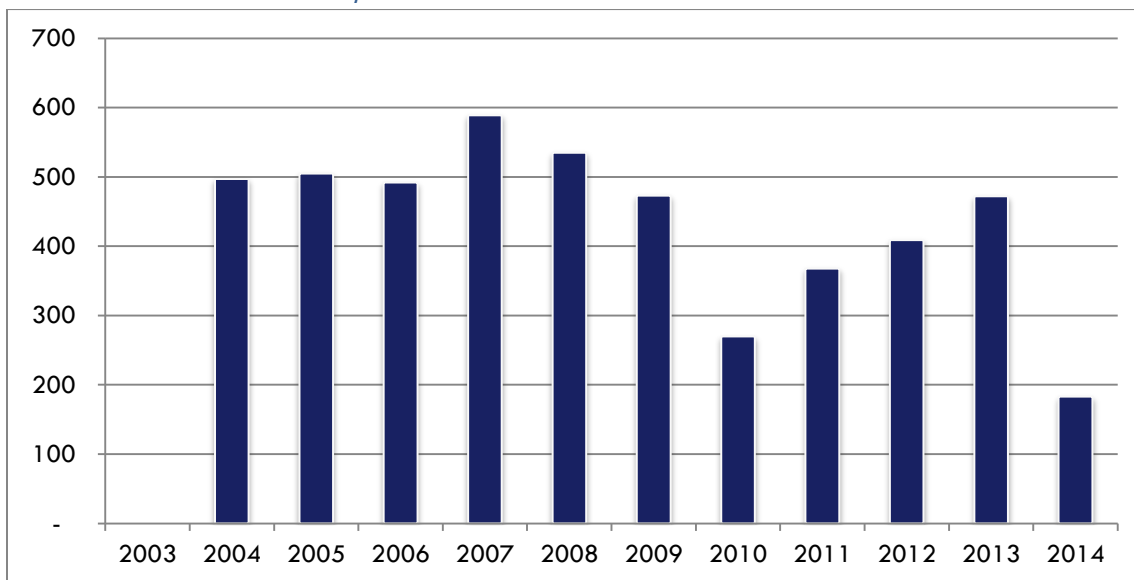
Toledo Police Staffing



Source: Toledo Police Department

There has been a steady increase in DUI/DWI arrests since the casino opened, but that trend began in 2010 and is still below the peak number of arrests in 2007. This increase, therefore, cannot be attributed to the 2012 opening of the casino.

Toledo Police Annual DWI/DUI Arrests



Source: Toledo Police Department

Most calls to the casino are not for serious offenses. From January 1, 2013, when the department began tracking casino calls until May 10, 2014, there were only 160 calls from the casino, or about ten per month and a total of 40 arrests (just under 3 per month). According to Lieutenant Brown, he does not see the casino impact having any negative effect on the community in the future, and believes that the casino will continue to be a positive influence in the city.

CASINO FACILITY INCIDENT AND ARREST PROJECTIONS

In addition to understanding the impacts that casinos have on police departments, GMA also performed an analysis to quantify the number of police incident calls and arrests related to the casinos in this study where available. The goal of this exercise was to project the number of calls and potential arrests for the proposed Wilton Rancheria Casino for the Alternative A scenario based on statistics from comparable markets. The Consulting Team compared the number of approximate annual incident calls and arrests to the size of each casino facility as defined by the total number of slot and table positions. The number of calls per year to police departments regarding casino-related incidents was then compared to the total positions for each respective facility to estimate how many calls there are per gaming position. A projected 471 calls per year related to the proposed casino under Alternative A is estimated to occur given the proposed total gaming positions of 2,812. Arrests attributed to casino-related incidents were then compared to the number of calls to assess on average how many calls result in arrest. GMA found that an average of approximately 26% of calls result in an arrest or a projected estimate of 121 arrests per year expected at the proposed casino resort in



Alternative A. The proposed casino facilities under Alternatives B, D, E, and F may experience similar impacts relative to their proposed size and gaming positions. Dependent on which jurisdictions provide law enforcement, any required incremental resources and costs would likely be provided by some combination of Sacramento County, San Joaquin County, Galt, and Elk Grove police services.

The following table summarizes approximate response calls and arrests for each casino facility including a projection for the proposed facility in Alternative A.

Projected Annual Incident Calls and Arrests for Proposed Wilton Rancheria Casino for Alternative A					
Location	Facility	Total Gaming Positions*	Annual Police Calls to Casino	Annual Arrests at Casino	% of Calls Resulting in Arrest
Anne Arundel, MD	Maryland Live! Casino	5,523	184	64	35%
Bethlehem, PA	Sands Casino	4,420	336	72	21%
Cincinnati, OH	Horseshoe Casino	2,609	672	100	15%
Emmetsburg, IA	Wild Rose Casino & Resort	639	110	22	20%
Oxford, ME	Oxford Casino	1,032	180	55	31%
Rohnert Park, CA	Graton Resort & Casino	4,134	1,700	480	28%
Toledo, OH	Hollywood Casino	2,560	120	36	30%
Alternative A Site	Wilton Rancheria Casino**	2,812	471	121	26%
Source: GMA, call and arrest data not available for Mount Pocono facility					
*Total Gaming Positions are comprised of slot machines and 7 positions per each table game					
**Proposed 2,812 gaming positions comprised of 2,000 slot machines and 116 tables game					

ORANGE COUNTY, NY SURVEY

In 2014, a number of proposals were under consideration for a casino-resort in Orange County, NY. As part of its due diligence, Orange County government conducted a study on the possible impact of a casino in the county. This study provided summary data from a survey completed in 2014 by the Orange County, New York Department of Emergency Services, consisting of emergency service departments serving the Connecticut casino markets, and two upstate New York casino markets: Turning Stone and Seneca Niagara.

As a result of the New York State Casino RFA, the Orange County, New York government conducted a similar survey on the impact of casinos on emergency services.²³ The Orange

²³ Orange County Department of Emergency Services, "Impact of Casinos on Emergency Services in Orange County", <http://www.co.orange.ny.us/filestorage/1140/16310/CasinoImpactEmergSvc2014.pdf>, April 2014.



County Department of Emergency Services contacted numerous emergency services agencies in New York and Connecticut in an attempt to determine the impact that casinos have had on their jurisdictions. The Orange County study included the following agencies:

Agencies Studied by Orange County		
Agency	Location	Casino
American Ambulance (Commercial Service)	Norwich, CT	Foxwoods Resort Casino & Mohegan Sun
City of Oneida Police Department	Oneida, NY (Oneida County)	Turning Stone Resort & Casino
Niagara County Office of Emergency Services	Niagara County, NY	Seneca Niagara Casino
Oneida County Emergency Services Office	Oneida County, NY	Turning Stone Resort & Casino
Town of Montville Police Department	Montville, CT	Mohegan Sun
Town of Ledyard Police Department	Ledyard, CT	Foxwoods Resort Casino
Town of Ledyard Fire Marshal	Ledyard, CT	Foxwoods Resort Casino
Verona Fire Department (Fire & EMS)	Verona, NY	Turning Stone Resort & Casino
Source: Orange County, NY Department of Emergency Services		

According to that study,

The overall finding from these telephonic interviews is that the casinos have had a minimal impact in terms of crime rates, medical calls, fire-related incidents, and emergency management activities. The common theme from all the representatives interviewed for this study was that the impact of the casinos caused some initial issues but as the facilities matured, the impact was minimized.

There was a concern that there would be significant increases in DUI/DWI cases and Part 1 crimes such as murder, rape and assault, but the Orange County Department of Emergency Services determined that these fears were largely unfounded according to the police department members they interviewed. This is in keeping with the findings from our survey above, where regional emergency service representatives generally found no statistically significant increase in 911 call volume, criminal activity or arrests, and in many areas saw a marked decrease in crimes after the casino opened.

In the Orange County study, the one exception to this trend was in the area of vehicular traffic. In their survey, each of the jurisdictions interviewed cited a significant increase in vehicular



traffic leading to and from the casinos. GMA did not specifically request information about traffic patterns or increased vehicle incidents, but several of the towns that GMA surveyed specifically mentioned traffic and traffic accidents as a significant effect of the opening of the casino. However, in Mount Pocono, the one region that did provide data on arrests related to traffic arrests and violations, they have actually seen a decrease over the past five years in traffic arrests and warnings.

In conclusion, there seems to be very little deleterious impact on community services in areas in which a casino has opened. The incremental increase of criminal activity attributable to these facilities has warranted little or no additional departmental resources. In most small communities there was also no signed MOU with any casino. In general, communities seemed to have an overall positive feeling toward the casino and felt that the casino was an asset to the town or county.



V. PUTTING SOCIAL COSTS IN PERSPECTIVE

Although casino gaming comes with its share of social costs, it is important to put these costs in perspective when compared to other social problems. Industry expert Andrew Klebanow compares these numbers to other social problems in his report titled, “Putting Problem Gambling in Perspective.”²⁴ A summary of his findings are listed in the following paragraphs.

In August of 2010 the U.S. Center for Disease Control issued a report stating that 27% of the U.S. population (72.5 million Americans) are now classified as obese. Unlike problem gambling, where the costs on society are hard to measure, obesity has some very real and significant costs. On average, an obese person incurs \$1,400 more a year in medical costs than a person of normal weight. The U.S. Centers for Disease Control report estimates the costs to U.S. society at \$147 billion a year. And unlike problem gambling, whose physical effects are for the most part, unknown, obesity is known to lead to heart disease, stroke, diabetes, cancer and premature death.

Restaurant companies and food manufacturers have essentially adopted strategies developed by the tobacco industry, which is to deny their responsibility to the epidemic and oppose policies that would limit or tax consumption. It is common knowledge now that for over a half century, U.S. tobacco companies denied that their products were unhealthy and funded scientific studies to support their claims. Only in the face of overwhelming scientific evidence have tobacco companies modified those strategies. Nevertheless, tobacco companies continue to lobby against initiatives, such as bans on indoor smoking that would restrict exposure to second-hand smoke. Today, roughly 20% of adults smoke and their costs, both social and economic, are a significant burden on society.

To put problem gambling in perspective, one must only look at three numbers: 1.4% (the percent of adults who are problem gamblers, 27% (the percent of adults who are obese) and 20% (the percent of adults who smoke). Problem gambling is real and the casino industry acknowledges it, but its impact on society and on the lives of Americans is relatively small when compared to obesity and tobacco use.

²⁴ “Putting Problem Gambling in Perspective,” Andrew M. Klebanow, Indian Gaming Magazine, pp. 50-51, September 2010.



IV. DISCLAIMER

Specific information found within this report contains future estimates, projections and/or assumptions/statements. Global Market Advisors has based these future estimates, projections and/or assumptions/statements on assumed and reasonable expectations of future events. Although they are assumed to be reasonable, these future estimates, projections and/or assumptions/statements may not come to fruition. However, these future estimates, projections and/or assumptions/statements are based upon extensive knowledge of the subject environment, reasonable beliefs about expectations for the future of the subject environment, historical and existing trends, assumptions and strategies. As such, GMA has utilized phrasing including words like “would,” “could,” “should,” “expect,” “project,” and “estimate” in this report. Statements found in this report reflect GMA’s current expectations as of the date of this report.

GMA considers the expectations and estimates provided in this report reasonable. However, it is possible that these expectations and estimates are proven false in the future. GMA has made its best effort to secure accurate information; however, some of the information contained in this report was received from third parties, whose sources GMA did not verify. As it is not possible to predict future outcomes with absolute accuracy, these projections should be treated only as estimates of potential future results. Actual results may differ due to unforeseen events. Consequently, GMA assumes no liability for the accuracy of these projections, to the extent that such projections rely on inaccurate estimates, statements or assumptions.



VI. APPENDICES

FIRM QUALIFICATIONS

Global Market Advisors, LLC provides clients with market feasibility studies, primary research, economic impact studies, due diligence, payroll control, operations analysis, business and marketing plan development, and player reward program design for the gaming, hospitality and tourism industries. The principals and associates of GMA have hands-on experience in nearly all aspects of the gaming industry including domestic and international operations, project development, marketing expertise, and detailed market analysis.

Global Market Advisors is a (Nevada) Limited Liability Corporation with offices in Las Vegas, NV, Denver, CO, Taipei, Taiwan and Bangkok, Thailand. Below is the contact information for the company's partners.

Andrew M. Klebanow

Partner

Global Market Advisors
3167 E. Warm Springs Rd.
Las Vegas, NV 89120

O: +1 (702) 547-2225

M: +1 (702) 845-7346

Steve M. Gallaway

Partner

Global Market Advisors
1673 Hudson Street
Denver, CO 80220

O: +1 (702) 759-5944

M: +1 (702) 916-1340

Jonathan Galaviz

Partner

Global Market Advisors
388 Exchange Tower
Klongtoey District
Bangkok, Thailand

M: +1 (702) 595-5880

STEVEN M. GALLAWAY

Steve Gallaway has had a life-long exposure to the gaming industry with the past twelve years focusing on consulting in the gaming industry. During his career, he has had hands-on experience in operations management, organizational development, project development, business development, process improvement, contract negotiations, customer service training and employee development. Frequently, Steve is engaged by clients to provide expert witness testimony in gaming industry related litigation. Based on his broad range of knowledge and experience in hospitality, Mr. Gallaway is known throughout the industry for his knowledge of both domestic and international markets.

Mr. Gallaway is a visiting lecturer at the School of Continuing Education at the University of Nevada, Reno where he teaches a class on casino feasibility analysis. In the gaming industry, many are familiar with Steve through his articles published in Global Gaming Business Magazine and Indian Gaming Magazine. Steve is also a leader with Gerson Lehrman Group Councils, as



such providing dozens of Wall St. and international investment firms with advice on gaming markets and gaming investments.

Currently, Mr. Gallaway is a partner with Global Market Advisors, formerly known as Gaming Market Advisors where Steve has been a founding principal since 2005. Prior to GMA, Mr. Gallaway was a Senior Vice President of The Innovation Group, another consulting firm that provides services to the gaming and hospitality industry. Overall, Steve has completed over 300 feasibility studies with a strong focus in Native American gaming operations, public bond transactions, and international gaming developments. Steve has worked with over 75 Native American Tribes from California to Arizona to Florida. Many of these Native American engagements have resulted in Mr. Gallaway assisting his clients in obtaining the necessary funding to allow their projects to move forward.

Internationally, Mr. Gallaway has worked on more than 50 projects in Western and Eastern Europe, Asia, the Bahamas, the Caribbean, Canada, and Mexico. The depth of his experience in Mexico prompted an invitation to speak at G2E (Global Gaming Expo) to discuss the future of gaming in Mexico and at the 2012 Asian Gaming Congress on the feasibility of gaming development in Vladivostok, Russia. Other experience in gaming consulting includes an extensive amount of primary research, operational reviews, completing due diligence for clients on potential gaming acquisitions, and assisting casinos in analyzing and maximizing the utility of their player database.

ANDREW M. KLEBANOW

Andrew Klebanow specializes in Marketing Plan and Business Plan Development, Market Research, Casino Property Analysis, Service Quality Measurement Programs and Player Rewards Program Design exclusive to the gaming and hospitality industries.

Mr. Klebanow has worked in the hospitality industry since 1975 and in the fields of marketing and business planning since 1991. He earned a Bachelor of Arts degree at New York University and Master's Degree in Marketing from Cornell University's School of Hotel Administration. From 1991-1993, he was Director of Marketing at Sahara Gaming Corporation's Hacienda Hotel and Casino and Director of Marketing and Planning for the parent company's Development Group.

Mr. Klebanow also worked as Director of Marketing for Alliance Gaming Corporation where he conducted the initial market research, consumer testing and marketing plan development for Gamblers Bonus, the industry's first cardless slot club for the company's Nevada slot route



division. Gamblers Bonus was the first player tracking system that allowed customers to redeem bonus points for game credits at the machine.

As a consultant to Horseshoe Gaming, Klebanow conducted an analysis of the gaming market in Tunica, MS and subsequently prepared its pre-opening business and marketing plans. In addition, Mr. Klebanow wrote the opening marketing plan for the Horseshoe Casino in Bossier City, LA.

From 1996 to 1999, Klebanow was Vice President of Marketing for Santa Fe Gaming Corporation, where he oversaw the marketing efforts for the Santa Fe Hotel and Casino in Las Vegas and the Pioneer Hotel and Gambling Hall in Laughlin NV. During his tenure at Santa Fe Gaming, his team repositioned both casinos' player rewards programs to better meet the needs of the business. His most recent position was that of Vice President of Marketing at Sam's Town Hotel and Gambling Hall, where he oversaw the repositioning of the 22-year-old gaming property and the re-branding of its player rewards program.

Mr. Klebanow formed his own consulting firm in 2001 and, together with Mr. Gallaway, formed Gaming Market Advisors in 2005. In 2013, Gaming Market Advisors acquired the consulting firm Galaviz and Co, and rebranded Global market Advisors, where Mr. Klebanow is a partner today.

Mr. Klebanow is a periodic lecturer at Cornell University's School of Hotel Administration, the University of Nevada Las Vegas and the University of Nevada Reno's School of Continuing Education. He has contributed articles to the Cornell University Hotel and Restaurant Quarterly and the UNLV Hospitality Journal. Mr. Klebanow also authors a column in Indian Gaming Magazine and in the online gaming publication Urbino.net. Mr. Klebanow has written extensively on the subject of player reinvestment and has developed methodologies for calculating a casino's player reinvestment rate. More recently, he spoke at G2E Asia 2010 on the topic tiered player reward programs, in 2011 on the Korean gaming market and in 2012 on the Manila gaming market. In 2013, he spoke at two seminars at the Global Gaming Expo in Las Vegas on an Introduction to Casino Operations and Trends in Asian tourism.

KIT L. SZYBALA

Kit L. Szybala graduated from Southern Methodist University as a Hunt Leadership Scholar with degrees in Finance and International Studies giving him a thorough understanding of international business and financial modeling. While studying at the university, Mr. Szybala also gained extensive experience abroad, both working for Oracle Corporation in London, United Kingdom and studying at the University of Oxford. While with Oracle Corporation, Mr.



Szybala worked alongside the Senior Director of Marketing and Vice President of Technology Marketing for EMEA as a Marketing Analyst. Mr. Szybala monitored and improved the efficiency of their marketing programs by utilizing Customer Relationship Management software.

Immediately following his time at Southern Methodist University, Mr. Szybala began working for Vail Resorts as a member of the Vail Resorts College Program. This Program gave him valuable insight into hospitality management and operations by giving him various opportunities to meet with chief members of resort management. It also afforded him the ability to work in several different capacities for the corporation, giving him the opportunity to understand the intricacies of the varying moving parts of resort operations.

In 2012, Mr. Szybala began working for Global Market Advisors. Currently, he serves as the company's Senior Analyst. As Global Market Advisors' Senior Analyst, Mr. Szybala has created over 75 robust financial models in various gaming markets across the globe. In addition to these financial models, Mr. Szybala has written a multitude of extensive, analytical reports, including feasibility studies, impact and cannibalization studies, gaming market assessments and strategic planning assessments. Additionally, Mr. Szybala is a visiting lecturer at the School of Continuing Education at the University of Nevada, Reno where he teaches a class on casino feasibility analysis.

JONATHAN GALAVIZ

Mr. Jonathan Galaviz is a Partner in the firm. He manages consulting engagements to Fortune 500 clients and emerging companies in the areas of Asia market expansion, government policy, tourism strategy, and provides industry specific guidance to companies in the airline, casino gaming, and technology industries.

Mr. Galaviz regularly appears on CNBC, BBC, and Bloomberg TV and is quoted frequently by leading newspapers around the world. His clients include firms such as the Bank of Tokyo-Mitsubishi UFJ, Goldman Sachs (U.S. and Asia), CapitaLand, Deutsche Bank, Caesars Entertainment, Station Casinos (Fertitta Gaming), eSun/Lai Sun, Keppel Land (Singapore), Lend Lease (Australia) and several private equity/venture capital funds.

In 1996 Mr. Galaviz was a U.S. Senate Staffer in Washington DC for the office of U.S. Senator Pete Domenici (R-New Mexico). From 1998 to 2002, Mr. Galaviz was employed in a variety management consulting roles at Spectra Corporation, Whittman-Hart and Mandalay Resort Group (now a part of MGM Resorts International). From 2002 to 2013, Mr. Galaviz was head of Galaviz & Company LLC, a strategy-consulting firm focused on assisting Fortune 500 clients with their Asian market expansion strategies.



In 2011, Mr. Galaviz served as the Interim Head of Campus for the University of Nevada's campus located in the Republic of Singapore. He was responsible for returning the campus to profitability and enhancing its operational viability. His work at UNLV was widely praised in media and academic circles.

Mr. Galaviz serves as the President of The Economic Club of Las Vegas, a non-profit organization dedicated to non-political economic discussion. He is also a member of the National Association for Business Economics.

Mr. Galaviz holds an MBA from the Saïd Business School at the University of Oxford (England) and is a graduate of the New Mexico Military Institute. He studied finance at the National University of Singapore's School of Business as a foreign exchange student in 1997.

WILLIAM BRYSON

Bill Bryson has practiced law in New York and Taipei for over 25 years, and is recognized as a leading lawyer in the fields of gaming, hospitality, real estate development, mergers and acquisitions and financial transactions.

Bill has extensive experience in the representation of local and foreign hospitality industry clients in their operations and investments, both in Taiwan and throughout Asia. Bill has represented casino gaming companies, gaming machine manufacturers and consultants to the industry in Taiwan and 38 other jurisdictions on a variety of issues, including:

- Corporate Structuring
- Taxes
- Employment Issues
- Marketing Restrictions
- Internet/Interactive Gaming
- Debt Collection
- Gaming Development

In connection with prior and ongoing efforts by Taiwan to legalize casino gaming, Bill has represented several gaming industry clients in connection with possible gaming development projects in Taiwan. These representations have involved due diligence on potential joint venture partners, negotiation of joint venture and deal documentation, due diligence on potential casino gaming locations, reviewing and commenting on draft laws and regulations, and preparing background materials for, and participating in, client lobbying efforts and meetings with government officials.



Bill has been acknowledged by Chambers Asia Pacific as a leading gaming lawyer in the region, and by Chambers Global as a leading lawyer in the global gaming industry. He has been a speaker at both the Asian Gaming Congress and G2E Asia, and currently serves on the Advisory Board of the Center for Research on Gaming and Lotteries, a division of the School of Business Administration at the National Taiwan University of Science and Technology.

Bill has also represented non-gaming interests in the hospitality industry, including both local hotel owners and foreign management companies. Bill's roles in such representations have included assisting local owners in the negotiation of letters of intent, hotel operation agreements, management agreements, franchise agreements, technical services agreements, and pre-opening services agreements. He has assisted foreign management companies in similar transactions, as well as in termination scenarios (including related hand-over issues) and owner insolvency proceedings.

Bill's merger and acquisitions, financing and real estate experience includes many "first of a kind" deals in Greater China, including the first-ever sale/leaseback of a commercial building in Taiwan, the first multi-jurisdiction acquisition of non-performing loans in Taiwan, the first acquisition of non-performing loans in China by a foreign investor, the first cross-border limited recourse financing led by Taiwanese banks, the first acquisition of a listed local shipping company by a foreign investor, the first acquisition of a substantial stake in a local financial holding company by a Japanese bank, the largest (by value) acquisition of commercial real estate by a foreign investor in Taiwan, and the acquisition of a local Internet Service Provider by an American internet company. Bill has been acknowledged as a leading lawyer in mergers and acquisitions, real estate, and finance by Chambers Asia Pacific, Asia Pacific Legal 500, and *AsiaLaw* magazine's Leading Lawyers Survey.

Along with his gaming, hospitality and transactional experience, Bill also brings with him extensive experience in public advocacy. As a member of the Government Relations Committee of the American Chamber of Commerce in Taipei, as well as his roles as Chairman of the Private Equity Committee and member of the Travel and Tourism Committee, Bill has, for the past 20 years, been a regular and central member of the Chamber's advocacy efforts on behalf of foreign companies in Taiwan. Bill's advocacy experience includes working with both local and US government officials on issues of importance to American companies in Taiwan, reviewing and revising draft legislation and regulations, developing advocacy strategies for both clients and industry groups, and being an editor of the Chamber's annual Taiwan White Paper, a collection of position papers produced by the Chamber's industry Committees. Bill's efforts on behalf of foreign companies in Taiwan have been recognized by the American Chamber of Commerce with two Outstanding Achievement Awards.

